

George Municipality

Budget 2013/14 to 2015/16

Medium Term Revenue and
Expenditure Framework

28 March 2013



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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations – Money received from Provincial or National Government or other municipalities.
Budget – The financial plan of the Municipality.
Budget Related Policy – Policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
KPI's – Key Performance Indicators. Measures of service output and/or outcome.
MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget is divided, usually at directorate / department level.

Part 1 – Annual Budget

1.1 Mayoral Budget Speech

The budget speech is attached as a separate document.

1.2 - Council Resolutions

On 28 March 2013 the Council of George Municipality had a meeting to table the draft annual budget for the year 2013/14. The following draft resolutions are contained in item 4.3 to the agenda of the Special Council meeting held on 28 March 2013 at 14h00:

- (a) that the following draft policies be approved:
 - (i) Customer care, credit control and debt collection policy;
 - (ii) Indigent policy;
 - (iii) Tariff policy;
 - (iv) Property rates policy;
 - (v) Cash Management and Investment Policy;
 - (vi) SCM Policy;
 - (vii) Asset Management Policy;
 - (viii) Virement Policy.
- (b) that the draft annual budget for the financial year 2013/14 and indicative outer years 2014/15 and 2015/16 be approved as set-out:
 - (i) Capital expenditure by project as contained in annexure "A" to the agenda;
 - (ii) Capital funding by source as contained in annexure "A" to the agenda;
 - (iii) Operating revenue by source as contained in Table A4 of the report;
 - (iv) Operating expenditure by type as contained in Table A4 of the report;
- (c) that property rates as reflected in the report be imposed for the budget year 2013/14;
- (d) that tariffs and services charges as reflected in the formal tariff list be approved for the budget year 2013/14;
- (e) that the draft Service Delivery and Budget Implementation Plan (SDBIP) be approved for the budget year 2013/14 as contained in annexure "B" to the agenda;
- (f) that the capital funding, both internal and external funding, be secured prior to the commencement of any new capital project;

- (g) that the draft annual budget documentation for 2013/14 – 2015/16 as outlined in the budget regulations be submitted to National and Provincial Treasury.

1.3 – Budget 2012/13 Mid-year Review and adjustments budget

The following table shows the original and adjustments budget for 2012/13.

R'000	Original Budget 2012/13	MYR Adjusted Budget 2012/13	Difference
Capital	R150 922	R153 373	R2 451
Operating Income	R1 042 619	R1 084 006	R41 387
Operating Expenditure	R983 290	R1 019 256	R35 966

The 2012/13 adjustments budget was taken into account in the preparation of the 2013/14 MTREF. In particular, the capital budget must be set at a level that is realistic in terms of the capacity to deliver and the ability to fund.

1.4 – Executive Summary

The Budget Committee was confronted with numerous challenges during the budget process. The following had an impact:

- The continued negative effect of the economic downturn;
- The funding constraints with regards to the funding of the Capital Budget;
- The fact that George Municipality is “over borrowed”;
- Nersa’s directive that bulk purchases will increase by 7,1% for municipalities and municipal electricity tariff increase should not exceed 6%.

Council approved a new organisational structure during the 2012/13 financial year that reduced the number of directorates from eight to seven. Community Safety was combined with Environmental Affairs to establish the new directorate namely Community Services. Minor changes to the micro structure were also made. These changes were made to streamline service delivery and to affect savings.

The 2012/13 adjustments budget in February 2013 again proved that the ability of Council to reduce costs is limited due to the fact that the fixed cost component of the operating budget exceeds the variable costs by far. The adjustments budget nonetheless defined the basis for the draft budget.

Salaries, depreciation, interest on external loans and bulk purchases of electricity absorbs ±65% of the budget. Service delivery will be severely affected by reducing the variable costs.

In spite of the abovementioned challenges, the Budget Committee managed to restrict all tariff increases to single digit increases with an average of 7,7%.

George Integrated Public Transport Network (GIPTN)

This Municipality aims to introduce a reliable, affordable, scheduled public transport service. The first services are scheduled to commence in 2014, negotiations with the Operating Company is in an advance stage.

The introduction of this service requires that the fare structure for George be included in the tariffs list and that the approved fare structure be gazetted.

The proposed tariffs will be finalised once the negotiations between Government (Council and Province) and the Operating Company have been concluded.

The following municipal processes are included within the GIPTN project that needs to be managed to meet the project deadline;

- Legislatively required approvals from Council
- Legislatively required public comment processes
- Progress updates to Mayoral Planning, Mayco and Council
- Supply chain management processes for contracting (on-going)
- National grant funding requires milestones for coming year
- Transfer of PTI/PTNO funds contingent on reaching milestones
- High-level milestones being finalised for submission to NT for payment schedule
- Unspent grant funding is not rolled over i.e. use it or lose it. Additional funding contingent on reaching milestones and achieving spending

Key Milestones of the GIPTN project:

The following key project milestones have been set for the project;

- | | |
|--|---------------------------|
| ▪ Branding Approval (entire project dependent) | May 2013 (entire project) |
| ▪ Position of Bus Stops | May 2013 |
| ▪ Construction Bus Stops (650) | July 2013 to March 2014 |
| ▪ Operator Contract – Council Approval | May/June 2013 |
| ▪ Vehicle Purchase – Place order | 1 July 2013 |
| ▪ Prepare buses and depots | Oct 2013 – Jan 2014 |
| ▪ Fare Collection and Management | Appointment July 2013 |

- Auxiliary contracts - Call centre (SLA's) Aug 2013
- Infrastructure April 2013 on-going
- Operations, Oversight and Reporting March 2013 to Aug 2013
- Vehicle Operating Company
- Training, Corporation establishment April 2013 to Jan 2014

It must be specifically noted that the establishment of the GIPTN project is running at a tight time schedule. National Treasury (NT) has set strict conditions for all IPTN Grant funded projects where all unspent grant funding is not allowed to be roll over, which means use it or lose it.

While however this may be regarded as a project risk, it must also be noted that this may be to the advantage to local authorities that manage their projects effectively. Where funding can be shifted by NT to other municipalities where their transport projects are ahead of schedule or where the project could be re-scheduled/ moved forward if additional funding is made available through an adjustments budget of NT.

There are various matters that still need to be ironed out before the project can kick-off. The one main obstacle being the external loan funding needed to procure the bus fleet. As things currently stand with the Grant funding to be received over the MTRF period does not allow for the full procurement of the fleet and the construction of the needed road infrastructure.

Therefor external loan funding is needed for a bridging period of three financial years to fund the purchase of the entire fleet. The capital charges (interest and redemption) will be made from Grant funding received. There is a huge risk that the market may not be interested to fund such loan request given George Municipalities' huge external loan debt.

It is proposed that National Treasury be approached to make additional Grant funding available for the purchase of the bus fleet so that a loan is not required.

MFMA Circulars

National Treasury sent out MFMA Circular No. 66 on 11 December 2012 providing guidance to municipalities on their 2013/14 budgets and Medium Term Revenue and Expenditure Framework (MTREF). Circular 66 was followed up by Circular no. 67 dated 12 March 2013. Circular No. 66 & 67 reminds us of the key focus areas for the 2013/2014 budget process, and that it must be read together with MFMA Circulars no. 48, 51, 54, 55, 58 and 59. It is essential reading material in order to understand the background to this budget.

National Treasury has also set out the requirements for funding the budget and producing a credible budget.

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Under old budget formats a 'balanced' income generated approach was a key objective and this assisted in ensuring that outflows were matched by inflows, provided revenue collections were realistic. However, GRAP compliant budgets necessitate that budget 'balancing' be much more comprehensive.

New budgeting and accounting formats demand that the budgeted Statement of Financial Performance (Income Statement), the Budgeted Statement of Financial Position (Balance Sheet) and the Budgeted Statement of Cash Flows must be considered simultaneously to ensure effective financial management and sustainability.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

Budgeted Deficit versus Depreciation

The depreciation budget for the MTREF, calculated on the existing assets, is R100 225 139 for 2013/14, R95 887 789 and R89 430 369 respectively for the two outer years.

Depreciation is calculated by using the straight line method over the life-span of the asset. The assets in the asset register are funded from different funding sources and the depreciation of these assets is also treated differently.

The table below is a summary of the total depreciation broken up in the different funding source categories

Funding Source	DEPRECIATION		
	2013/14 B	2014/15 R	2015/16 R
Accumulated surplus	5 641 754	5 376 778	5 389 771
Capital Reserve	9 020 089	8 558 469	7 723 793
Conditional Grants	23 519 269	22 919 997	22 555 045
Public Contributions	4 157 537	3 354 522	3 188 828
Donations	330 308	330 308	330 308
External loans	37 045 676	36 410 871	33 023 594
CCR – own funds	20 510 504	18 936 842	17 182 467
TOTAL	R100 225 139	R95 887 789	R89 430 370

George Municipality has used the “cost model” to implement GRAP 17. The fact that George Municipality has created 75% of its depreciable asset base in the last ten years has increased the depreciation cost beyond normal tariff increases.

As example a filtration plant was constructed with funds from the emergency drought relief grant. A capital asset of ± R95 million was created with an estimated life span of 20 years. The impact on the depreciation budget was an additional depreciation to the amount of R4.75 million per year.

It is impossible to give this burden through to the inhabitants of George. To soften the impact of this depreciation a “claw back” of depreciation is done during the budget process as part of the tariff setting. This inevitably leads to a budgeted deficit on the Budgeted Statement of Financial Performance.

This position has been exacerbated by the extensive funding of capital projects from External Loans (EFF). George Municipality is budgeting for interest and redemption repayments to the value of ±R85 million per year for the MTREF.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

1.5 – Budget Overview of the 2013/14 MTREF

This section provides an overview of the George Municipality’s 2013/14 to 2015/16 MTREF. It includes an assessment of how the budget links with the national and

provincial government contexts along with a review of the fiscal position of George Municipality.

The Municipality's budget must be seen within the context of the policies and financial priorities of national, provincial and district government. In essence, the spheres of Government are partners in meeting the service delivery challenges faced in George. George alone cannot meet these challenges. It requires support from the other spheres of Government through the direct allocation of resources as well as the achievement of their own policies.

According to Circular No. 67, the following headline forecasts underpin the national 2013 Budget:

Fiscal Year	2011/12 Actual	2012/13 Estimate	2013/14	2014/15	2015/16
			Forecast		
Headline CPI Inflation	5,6%	5,6%	5,6%	5,4%	5,4%

The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macro economic policies, unless it can be shown that external factors impact otherwise.

The budget process in George followed the requirements of the MFMA. A Table of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2012.

A Budget Committee was established to examine, review and prioritise budget proposals from departments.

The Draft budget was tabled on 28 March 2013. The final budget is scheduled to be approved by Council by the end of May 2013.

Over the 3 year period, the Municipality is planning to spend R692,4 million on capital investment for the infrastructure needs of the town. In 2013/14 the capital budget is R255 million. Operating expenditure in 2013/14 is budgeted at R1 148 million.

The MFMA requires municipalities to set out measurable performance objectives when tabling their budgets. These "key deliverables" link the financial inputs of the budget to service delivery on the ground.

As a further enhancement to this, quarterly service targets and monthly financial targets are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be approved by the Mayor within 28 days after the approval of the final budget and forms the basis for the Municipality's in year monitoring.

In view of the aforementioned, the following table is a consolidated overview of the proposed MTREF:

Table 1 Consolidated Overview of the 2013/14 MTREF

	Adjustments Budget 2012/13	Budget Year 2013/14	Budget Year 2014/15	Budget Year 2015/16
Total Operating Revenue	(1,084,005,592)	(1,269,572,051)	(1,153,864,555)	(1,196,815,986)
Total Operating Expenditure	1,019,256,270	1,148,666,167	1,094,253,353	1,131,868,904
Appropriations	64,720,896	120,840,503	59,540,575	64,885,556
(Surplus)/Deficit	(28,426)	(65,381)	(70,628)	(61,526)
Total Capital Expenditure	153,373,390	254,911,395	218,174,368	219,350,856

1.6 – Operating Revenue Framework

For George Municipality to continue maintaining / improving the quality of services provided to its citizens it needs to generate the required revenue.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines, Circular No. 66 & 67;
- The municipality's Property Rates Policy;
- The municipality's Credit Control and Indigent Policy and rendering of free basic services;
- Tariff policy and structure;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA).
- Revenue enhancement plan.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue sources

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source									
Property rates	104,491	118,881	127,788	143,847	144,107	144,107	155,753	161,918	171,634
Property rates - penalties & collection charges	1,322	1,330	1,218	1,521	5,121	5,121	5,212	5,309	5,412
Service charges - electricity revenue	267,361	310,240	373,785	408,871	417,170	417,170	434,520	458,277	485,565
Service charges - water revenue	56,002	67,306	66,393	73,742	81,323	81,323	87,903	91,375	96,857
Service charges - sanitation revenue	40,852	46,462	52,176	58,230	52,467	52,467	56,715	58,952	62,489
Service charges - refuse revenue	26,305	30,484	35,101	38,932	36,307	36,307	39,186	40,795	43,243
Service charges - other	8	13	331	352	352	352	373	396	419
Rental of facilities and equipment	1,819	1,829	2,103	2,023	2,071	2,071	2,132	2,260	2,395
Interest earned - external investments	14,673	14,773	14,715	12,455	13,087	13,087	13,872	14,704	15,586
Interest earned - outstanding debtors	4,127	4,296	3,573	4,061	4,061	4,061	4,305	4,563	4,837
Dividends received	–	–	–	–	–	–	–	–	–
Fines	3,759	13,149	15,057	17,248	17,498	17,498	18,547	19,660	20,840
Licences and permits	2,762	2,106	2,451	2,315	2,315	2,315	2,454	2,601	2,758
Agency services	5,120	5,427	5,751	6,182	6,182	6,182	6,534	6,906	6,982
Transfers recognised - operational	62,597	137,138	153,465	156,843	169,026	169,026	258,828	161,580	153,253
Other revenue	13,943	13,945	16,859	14,431	6,592	6,592	6,909	7,308	7,732
Gains on disposal of PPE	95	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	605,237	767,379	870,766	941,052	957,678	957,678	1,093,243	1,036,606	1,080,001

Revenue generated from property rates and service charges forms a significant percentage of the revenue source of the municipality. The above table takes into account revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality and also capital transfers and contributions.

The following table gives a breakdown of the various grants allocated to George Municipality over the medium term:

Table 3 Grants Allocation

Local government allocations 2013/14 – 2015/16			
	Medium Term Estimates		
R '000	2013/14	2014/15	2015/16
National Grants	333 025	260 673	269 085
Equitable share	85 716	92 615	101 174
Infrastructure (MIG)	41 815	37 968	40 046
Electrification Programme (INEP)	6 000	5 000	8 500
Energy Efficient & Demand Side Management Grant	5 000	5 000	5 000
Financial Management (FMG)	1 300	1 450	1 500
Municipal Systems Improvement (MSIG)	890	934	967
Public Transport Network Operations Grant	89 389	50 449	44 311
Public Transport Infrastructure Grant	90 630	61 805	55 689
Neighbourhood Dev Partnership Grant (Capital)	5 000	-	6 179
Neighbourhood Dev Partnership Grant (Technical Asst)	1 000	1 000	1 000
Expanded Public Works Programme Incentive Grant (EPWP)	3 285	-	-
Infrastructure Skills Development (IDG)	3 000	4 452	4 719
Provincial Grants	106 548	17 609	7 260
Human Settlement Development Grant	66 005	-	-
Provincial Contribution Towards Acceleration of Housing Delivery	7 500	-	-
Library Services	1 602	6 509	1 660
Maintenance & Contribution of Transport Infrastructure	24 545	4 000	-
Integrated Transport Planning	396	600	600
GIPTN – Operations	5 000	5 000	5 000
GIPTN – Infrastructure	1 500	1 500	-
Total Allocations	439 573	278 282	276 345

SERVICE CHARGES AND MISCELLANEOUS TARIFFS:

The following tariff increases are suggested:

- Electricity : 6.5%
- Water : 8%
- Rates : 8%
- Refuse : 8%
- Sewerage : 8%
- Other (miscellaneous) : 8 %

TARIFF CHANGES SUGGESTED FOR 2013/14**Rates Tariffs**

The new General Valuation roll came into effect during the current financial year. The appeal process in respect of the General Valuation is currently underway. There are two supplementary valuations to be undertaken during the current year.

After the outcome of the objections were made available, ±630 appeal forms were received. The process to handle the appeal forms by the Valuation Appeal Board was delayed due to the appointment of the chairman and members after their term expired.

The chairman and members were appointed from 1 December 2012 until 30 November 2016. The valuation appeal court sessions are going to start from 10 April 2013 until all the cases have been concluded.

The total values of the valuation rolls for 2012/2013 are as follows:

General Valuation Roll 2011	R38,621,389,200
Objections – General Valuation Roll 2011	-R1,796,801,100
Appeals – General Valuation Roll 2011	Still to be decided on by Appeal Court
First Supplementary Valuation Roll 2012/2013	R141,785,300
Objection – First Supplementary Valuation Roll 2012/2013	-R61,496,100
Appeals – First Supplementary Valuation Roll 2012/2013	Still to be decided on by Appeal Court
Second Supplementary Valuation Roll 2012/2013	-R147,539,200
Second Supplementary Valuation Roll 2012/2013	Still in process.

The reason for the decrease in valuations as a result of SV2 2012/2013 is mainly due to the valuation of both the body corporate properties that were registered as sectional scheme units and the main property. To rectify this duplication, the valuation of the “original erf” had to be reduced with the value of the “original erf”.

The bulk of the corrections emanating from the GV was included in the supplementary valuation rolls.

Water Tariffs

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;

- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

A tariff increase of 8% from 1 July 2013 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. The tariff structure is designed to charge higher levels of consumption a higher rate per kilolitre.

The tariff structures of the DMA and George are different. The 8% increase in the current tariff will apply to the DMA area as well. George Municipality is reassessing the basic charge for water service to ensure that it is cost reflective of the fixed costs components needed to deliver water to the consumers.

Electricity Tariffs

Although Eskom has announced a general 7.1 % tariff increase for municipalities, it was noted that they have restructured their tariffs as from 1 July 2013. Their actual (Eskom) tariff increase within the George municipal distributional area has been modelled using their new tariff structure and the average increase for George, Wilderness and Uniondale's indicates a combined bulk purchase tariff increase of 7.95%.

Other municipalities that have also modelled the Eskom tariffs appear to have similar increases. Although the actual increase is higher than 7.1%, municipalities are encouraged to limit their municipal electricity tariffs for the 2013/14 as per the NERSA's guideline to 6%.

The proposed introduction of the Inclining Block Tariffs for domestic / residential customers that NERSA proposed to be implemented by Municipalities as from 01 July 2011 is not supported, as it has more disadvantages than advantages for the financial sustainability of the service and the municipality.

A written submission has been submitted to NERSA to oppose the implementation of Inclining Block Tariffs, which response on our proposal is still awaited. This matter should be finalised before the approval of the final budget.

The Budget Committee furthermore decided to re-award the 20kWh electricity to all indigent households.

Considering the Eskom increases, the consumer tariff will be increased by 6.5 % to offset the additional bulk purchase cost from 1 July 2013.

Sanitation tariffs

A tariff increase of 8% for sanitation from 1 July 2013 is proposed.

Waste Removal tariff

An 8% increase in the waste removal tariff is proposed from 1 July 2013.

The cost of establishing of a composting plant, the closure of the dumping site, the establishing of a landfill site in Uniondale and the transport of household waste to PETRO SA, are putting a tremendous pressure on the financial viability of the waste removal service. Urgent strategic decisions are needed in this regard.

1.7 – Operating Expenditure Framework

The expenditure framework for the 2013/14 budget and MTREF is informed by the guidelines of National Treasury.

The operating expenditure increased from R1 019 million (2012/13) to R1 148 million in 2013/14.

The following table is a summary of the 2013/14 MTREF (classified by main expenditure types):

Table 4 Summary of operating expenditure by type

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type									
Employee related costs	219,740	228,773	248,879	260,586	261,797	261,797	274,806	293,180	313,569
Remuneration of councillors	9,758	10,691	13,868	15,472	15,472	15,472	16,952	18,139	19,408
Debt impairment	13,946	27,524	19,558	21,294	21,294	21,294	22,000	29,100	31,200
Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	100,225	95,888	89,430
Finance charges	47,342	53,170	57,217	54,028	54,420	54,420	50,037	46,258	42,160
Bulk purchases	151,841	192,921	244,297	279,863	281,839	281,839	301,850	325,998	352,078
Other materials	331	324	140	194	233	233	238	238	238
Contracted services	34,039	94,627	100,248	100,374	117,789	117,789	208,986	102,796	94,065
Transfers and grants	5,508	5,124	1,188	2,011	1,473	1,473	1,473	1,486	1,498
Other expenditure	150,596	137,373	135,958	147,480	157,007	157,007	172,100	181,173	188,224
Loss on disposal of PPE	2,467	440	11,286	–	–	–	–	–	–
Total Expenditure	715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869

The overall increase of 12.7% can be attributed to increases and decreases on several expenditure components.

Reasons for significant cost variances:

- Debt impairment – The calculation is based on the 2012/13 collection ratios and also the current economic climate in the George.
- Bulk purchases – The increase is based on the tariff for bulk purchases as set out by NERSA.
- Contracted Services – The budget for contracted services has increased from R281,8 million (2012/13) to R301,8 million (2013/14) due to the GIPTN and N2/York Bridge Widening projects.
- Finance charges declined because the redemption portion of the loans is increasing versus the interest payments that are declining.

Table 5 Repairs and maintenance per asset class

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	79,563	94,577	106,672	101,989	107,934	107,934	100,225	95,888	89,430
<u>Repairs and Maintenance by Asset Class</u>	52,446	55,364	52,814	64,618	66,645	66,645	70,093	73,597	77,282
Infrastructure - Road transport	18,864	19,301	16,945	19,301	19,081	19,081	20,098	21,103	22,158
Infrastructure - Electricity	7,182	6,688	4,977	8,070	6,224	6,224	6,566	6,895	7,247
Infrastructure - Water	6,307	3,506	3,667	6,849	5,641	5,641	5,923	6,219	6,530
Infrastructure - Sanitation	6,657	9,648	10,842	9,660	13,151	13,151	13,885	14,579	15,308
Infrastructure - Other	–	1	7	11	11	11	11	12	12
Infrastructure	39,010	39,145	36,438	43,890	44,107	44,107	46,484	48,808	51,256
Community	1,965	3,449	2,605	3,217	3,741	3,741	3,929	4,121	4,322
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	11,472	12,770	13,771	17,511	18,797	18,797	19,681	20,668	21,704
TOTAL EXPENDITURE OTHER ITEMS	132,008	149,941	159,486	166,606	174,579	174,579	170,318	169,485	166,713

1.8 – Capital Budget

The capital budget increased from R153,4 million (2012/13) to R254,9 million in 2013/14.

Due to the impact of the current long term borrowing commitments on the operating budget it was decided to limit the capital projects linked to external funding. The amount of ± R14 million allocated to external funding relates to vehicles that will be purchased through finance leases.

The Budget Committee went through several stages of prioritising the capital budget to contain the budget within the available funding.

Table 6 Capital funding by source

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funded by:										
National Government	92,318	60,775	38,703	56,992	44,011	44,011	44,011	130,743	82,984	92,691
Provincial Government	3,592	10,851	11,332	34,454	57,563	57,563	57,563	53,406	42,308	43,305
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	0	542	(0)	–	4,000	4,000	4,000	3,000	–	–
Transfers recognised - capital	95,910	72,168	50,035	91,446	105,575	105,575	105,575	187,148	125,292	135,996
Public contributions & donations	3,000	–	29	–	–	–	–	–	14,000	16,000
Borrowing	126,319	47,704	20,291	11,350	5,350	5,350	5,350	14,370	5,200	2,600
Internally generated funds	17,838	16,762	39,340	48,126	42,449	42,449	42,449	53,393	73,682	64,755
Total Capital Funding	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351

Internal Funding

One of the main problems impacting on the capital budget was once again the expected contributions to the Capital Replacement Reserve (CRR) for the current year. At the mid-year assessment the capital contribution votes under collected and projected below the budgeted figures.

This situation also accentuated the fact that emphasis must be put on expanding the current income sources and exploring other income sources.

The 2012/13 Capital Adjustments Budget requires a contribution of R 23 million from the cash reserves. This amount is envisaged to be realized from the vigorous application of the credit control and debt collection measures.

Furthermore the Budget Committee has decided to make a specific contribution from the Operating Budget to the CRR's for the 2013/14 year apart from the normal capital contributions and sale of property proceeds.

The normal contributions to the capital reserve consist of capital contributions from the public, sales of property (mostly vacant erven) and an annual contribution to the CRR from uncommitted cash backed reserves.

Council has decided during the budget process to commit the reclaimed VAT related to conditional grant expenditures to funding the CRR.

In other words this "own revenue" is contributed to the CRR as the VAT is reclaimed after the conditions of the grant have been met.

Council will introduce a specific line item in the budget to specifically budget for a contribution to the CRR. This contribution will be equal to the decline in interest payments on an annual basis.

The amounts for the MTREF are R4.393 million – 2013/14, R8.17 million – 2014/15 and R12.265 million – 2015/16.

The Budget Committee also emphasised the fact that revenue enhancement measures will be instituted in this financial year to broaden the income base. A

special budget committee meeting is scheduled to be held early in April to discuss all possible additional sources of revenue.

Furthermore the indigent qualification criteria will be enforced more rigorously to ensure that those who do not qualify are removed from the allocation list. This saving on the equitable share allocation will allow Council to make a contribution to the infrastructure required to deliver the free basic services.

Although the budgeted income and expenditure are realistically anticipated budgets, the situation regarding the available internal funds will be monitored closely and expenditure on capital projects linked to the CRR will be managed according to the available cash.

External Funding

The Budget Committee has reduced its reliance on external funding to fund its capital budget. The main motivation for refraining from taking up further external loans was due to the fact that the municipality is over borrowed. The Budget Committee's strategy for the 2013/14 budget is to accumulate own resources before embarking on capital projects going forward.

The Budget Committee has however decided that the budgeted vehicles on the capital budget should be leased and that the finance lease payments will be funded from savings in the operating budget by not having to hire these vehicles.

The following table provides a breakdown of the budgeted capital expenditure by classification:

Table 7 Capital expenditure by GFS classification

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard										
<i>Governance and administration</i>	531	876	284	920	1,527	1,527	1,527	7,905	4,335	1,490
Executive and council	–	–	84	30	247	247	247	2,600	565	–
Budget and treasury office	–	720	200	230	155	155	155	780	280	280
Corporate services	531	155	–	660	1,125	1,125	1,125	4,525	3,490	1,210
<i>Community and public safety</i>	16,834	8,671	8,416	14,221	14,934	14,934	14,934	23,203	33,983	22,000
Community and social services	519	2,423	2,025	1,319	580	580	580	1,575	8,860	500
Sport and recreation	12,842	1,019	1,512	2,808	7,386	7,386	7,386	6,770	5,423	3,000
Public safety	1,942	512	3,739	6,009	5,915	5,915	5,915	6,615	3,500	2,000
Housing	1,530	4,716	1,141	4,085	993	993	993	8,243	16,200	16,500
Health	–	–	–	–	60	60	60	–	–	–
<i>Economic and environmental services</i>	33,652	14,123	13,722	33,229	31,752	31,752	31,752	129,416	87,483	90,388
Planning and development	332	–	–	–	–	–	–	–	–	–
Road transport	33,311	14,077	13,715	33,229	31,752	31,752	31,752	128,816	87,183	90,388
Environmental protection	8	46	7	–	–	–	–	600	300	–
<i>Trading services</i>	192,050	112,965	87,273	102,552	105,160	105,160	105,160	94,388	92,373	105,473
Electricity	48,576	55,005	35,613	25,175	23,786	23,786	23,786	19,544	28,338	25,221
Water	121,994	48,494	21,487	32,866	36,408	36,408	36,408	20,278	14,419	24,161
Waste water management	21,480	8,974	30,172	36,011	43,112	43,112	43,112	47,296	42,336	45,991
Waste management	–	492	–	8,500	1,855	1,855	1,855	7,270	7,280	10,100
<i>Other</i>	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351

1.9 – Budget Schedules

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

Table 8 - A1: Budget Summary

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Financial Performance										
Property rates	105,813	120,210	129,006	145,368	149,228	149,228	149,228	160,966	167,228	177,045
Service charges	390,528	454,505	527,786	580,127	587,619	587,619	587,619	618,697	649,795	688,574
Investment revenue	14,673	14,773	14,715	12,455	13,087	13,087	13,087	13,872	14,704	15,586
Transfers recognised - operational	62,597	137,138	153,465	156,843	169,026	169,026	169,026	258,828	161,580	153,253
Other own revenue	31,626	40,753	45,794	46,260	38,719	38,719	38,719	40,881	43,300	45,544
Total Revenue (excluding capital transfers and contributions)	605,237	767,379	870,766	941,052	957,678	957,678	957,678	1,093,243	1,036,606	1,080,001
Employee costs	219,740	228,773	248,879	260,586	261,797	261,797	261,797	274,806	293,180	313,569
Remuneration of councillors	9,758	10,691	13,868	15,472	15,472	15,472	15,472	16,952	18,139	19,408
Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	107,934	100,225	95,888	89,430
Finance charges	47,342	53,170	57,217	54,028	54,420	54,420	54,420	50,037	46,258	42,160
Materials and bulk purchases	152,172	193,245	244,437	280,057	282,072	282,072	282,072	302,087	326,236	352,316
Transfers and grants	5,508	5,124	1,188	2,011	1,473	1,473	1,473	1,473	1,486	1,498
Other expenditure	201,047	259,964	267,050	269,148	296,090	296,090	296,090	403,087	313,068	313,488
Total Expenditure	715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869
Surplus/(Deficit)	(109,893)	(78,166)	(68,545)	(42,238)	(61,578)	(61,578)	(61,578)	(55,423)	(57,647)	(51,868)
Transfers recognised - capital	95,910	72,168	50,064	95,321	117,582	117,582	117,582	169,708	110,241	109,376
Contributions recognised - capital & contributed assets	17,472	11,555	12,149	6,246	8,746	8,746	8,746	6,620	7,018	7,439
Surplus/(Deficit) after capital transfers & contributions	3,489	5,558	(6,332)	59,329	64,749	64,749	64,749	120,906	59,611	64,947
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3,489	5,558	(6,332)	59,329	64,749	64,749	64,749	120,906	59,611	64,947
Capital expenditure & funds sources										
Capital expenditure	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351
Transfers recognised - capital	95,910	72,168	50,035	91,446	105,575	105,575	105,575	187,148	125,292	135,996
Public contributions & donations	3,000	–	29	–	–	–	–	–	14,000	16,000
Borrowing	126,319	47,704	20,291	11,350	5,350	5,350	5,350	14,370	5,200	2,600
Internally generated funds	17,838	16,762	39,340	48,126	42,449	42,449	42,449	53,393	73,682	64,755
Total sources of capital funds	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351
Financial position										
Total current assets	596,328	531,862	530,807	671,339	544,746	594,903	594,903	461,983	423,566	422,971
Total non current assets	1,965,480	2,007,876	2,103,941	2,068,442	2,125,424	2,125,424	2,125,424	2,301,259	2,415,275	2,539,355
Total current liabilities	169,656	190,873	211,985	174,534	174,034	174,049	174,049	177,950	188,555	192,280
Total non current liabilities	567,661	627,256	609,802	557,117	552,317	552,317	552,317	551,964	524,592	493,494
Community wealth/Equity	1,824,492	1,721,609	1,812,961	2,008,129	1,943,818	1,993,961	1,993,961	2,033,327	2,125,694	2,276,551
Cash flows										
Net cash from (used) operating	92,552	182,201	126,538	175,073	111,505	153,290	153,290	222,602	221,497	245,057
Net cash from (used) investing	(241,673)	(134,541)	(109,607)	(138,063)	(149,373)	(141,000)	(141,000)	(240,000)	(190,000)	(196,000)
Net cash from (used) financing	103,114	37,955	(30,526)	(19,925)	(25,225)	(25,225)	(25,225)	(20,014)	(33,360)	(34,441)
Cash/cash equivalents at the year end	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306
Cash backing/surplus reconciliation										
Cash and investments available	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306
Application of cash and investments	143,885	212,205	218,901	89,663	91,725	91,710	91,710	105,948	107,907	115,637
Balance - surplus (shortfall)	2,996	20,291	0	192,738	64,083	114,256	114,256	62,605	58,783	65,670
Asset management										
Asset register summary (WDV)	1,963,999	2,006,520	2,102,843	2,067,590	2,124,572	2,124,572	2,300,382	2,300,382	2,414,380	2,538,496
Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	100,225	100,225	95,888	89,430
Renewal of Existing Assets	61,858	1,565	17,406	33,579	29,518	29,518	29,518	62,239	44,237	44,036
Repairs and Maintenance	52,446	55,364	52,814	64,618	66,645	66,645	70,093	70,093	73,597	77,282

Table 9 – A2: Budgeted Financial Performance by standard classification

Standard Classification Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard									
Governance and administration	177,512	203,233	161,738	170,963	178,399	178,399	187,751	195,581	206,478
Executive and council	106	58	1,681	28	28	28	25	26	27
Budget and treasury office	163,440	195,303	150,207	166,986	171,631	171,631	183,395	191,005	202,190
Corporate services	13,966	7,873	9,850	3,950	6,740	6,740	4,332	4,550	4,261
Community and public safety	22,710	90,134	94,863	55,744	79,895	79,895	72,430	37,487	30,869
Community and social services	1,669	1,882	2,052	2,738	3,095	3,095	2,832	7,816	3,048
Sport and recreation	4,958	2,294	2,950	5,895	10,406	10,406	7,081	7,107	3,935
Public safety	3,549	12,528	18,257	19,691	20,557	20,557	19,070	19,869	21,019
Housing	12,528	73,351	71,531	26,476	44,778	44,778	42,424	1,628	1,729
Health	6	78	72	944	1,058	1,058	1,023	1,066	1,137
Economic and environmental services	30,271	22,844	22,025	74,760	71,129	71,129	243,642	139,691	122,741
Planning and development	5,802	5,656	4,782	3,158	3,654	3,654	3,816	4,080	4,327
Road transport	23,808	17,030	17,228	71,601	67,474	67,474	239,791	135,577	118,379
Environmental protection	661	158	14	1	1	1	34	35	35
Trading services	487,946	532,295	654,338	741,136	754,568	754,568	765,732	781,087	836,709
Electricity	276,355	323,596	387,424	431,605	437,026	437,026	458,100	482,408	514,220
Water	140,873	116,675	111,534	137,301	146,549	146,549	121,665	116,730	129,697
Waste water management	43,540	60,688	97,037	110,569	113,008	113,008	125,377	120,048	127,171
Waste management	27,177	31,335	58,344	61,661	57,985	57,985	60,590	61,900	65,621
Other	181	2,596	15	16	16	16	17	18	19
Total Revenue - Standard	718,619	851,103	932,980	1,042,619	1,084,006	1,084,006	1,269,572	1,153,865	1,196,816
Expenditure - Standard									
Governance and administration	150,430	126,967	96,196	129,799	133,013	133,013	141,230	148,555	156,040
Executive and council	44,682	44,434	14,193	31,674	31,759	31,759	36,159	36,705	38,868
Budget and treasury office	48,615	47,844	41,061	56,996	58,630	58,630	60,767	65,377	68,488
Corporate services	57,132	34,690	40,942	41,130	42,624	42,624	44,303	46,473	48,683
Community and public safety	100,619	159,529	184,025	130,055	154,258	154,258	153,097	115,993	117,800
Community and social services	17,397	16,456	16,276	18,952	18,916	18,916	19,575	20,372	21,221
Sport and recreation	16,445	17,264	19,649	19,451	20,233	20,233	19,435	19,764	17,453
Public safety	41,342	40,433	56,302	43,775	45,143	45,143	45,613	47,437	49,790
Housing	20,386	80,304	85,012	41,340	63,098	63,098	61,875	21,551	22,203
Health	5,050	5,073	6,785	6,537	6,869	6,869	6,599	6,868	7,133
Economic and environmental services	119,103	118,496	133,787	159,566	155,423	155,423	248,733	185,456	174,786
Planning and development	13,035	13,329	22,928	16,670	16,829	16,829	18,069	19,090	20,062
Road transport	97,778	98,286	102,856	139,171	134,835	134,835	226,424	161,902	150,028
Environmental protection	8,290	6,880	8,003	3,725	3,758	3,758	4,240	4,463	4,696
Trading services	341,493	435,757	523,100	561,664	574,340	574,340	603,236	641,745	680,594
Electricity	190,406	268,241	309,095	367,896	374,409	374,409	402,123	431,743	462,064
Water	69,535	77,538	92,389	90,136	89,297	89,297	90,110	93,368	97,502
Waste water management	49,518	54,246	75,231	59,975	66,573	66,573	66,038	71,363	73,709
Waste management	32,034	35,732	46,385	43,657	44,061	44,061	44,965	45,271	47,319
Other	3,486	4,795	2,205	2,206	2,222	2,222	2,371	2,505	2,649
Total Expenditure - Standard	715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869
Surplus/(Deficit) for the year	3,489	5,558	(6,332)	59,329	64,749	64,749	120,906	59,611	64,947

Table 10 – A3: Budgeted Financial Performance by municipal vote

Vote Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Revenue by Vote</u>									
Vote 1 - Office of the Municipal Manager	552	321	2,564	293	433	433	392	464	486
Vote 2 - Corporate Services	510	559	670	1,872	2,106	2,106	1,968	2,065	2,169
Vote 3 - Corporate Services	1,119	885	1,718	712	881	881	725	738	253
Vote 4 - Community Services	12,592	21,358	27,827	30,144	31,198	31,198	30,080	36,353	33,256
Vote 5 - Community Services	6,153	5,442	3,320	7,105	11,730	11,730	8,419	8,506	5,423
Vote 6 - Community Services	27,177	31,335	58,347	61,968	58,292	58,292	60,923	62,257	66,003
Vote 7 - Human Settlements, Land Affairs & Planning	24,403	80,644	78,251	29,495	50,710	50,710	46,191	5,614	5,946
Vote 8 - Civil Engineering Services	200,369	186,976	217,781	311,326	318,886	318,886	478,200	363,204	365,546
Vote 9 - Electrotechnical Services	276,624	323,855	387,486	431,605	437,026	437,026	458,100	482,408	514,220
Vote 10 - Financial Services	124,369	138,426	154,040	166,121	167,166	167,166	178,770	186,394	197,548
Vote 11 - Financial Services	44,751	61,301	976	1,977	5,577	5,577	5,804	5,862	5,967
Total Revenue by Vote	718,619	851,103	932,980	1,042,619	1,084,006	1,084,006	1,269,572	1,153,865	1,196,816
<u>Expenditure by Vote to be appropriated</u>									
Vote 1 - Office of the Municipal Manager	55,636	56,557	23,203	47,918	49,564	49,564	54,603	55,139	57,826
Vote 2 - Corporate Services	22,509	17,424	20,275	18,651	19,368	19,368	19,733	20,666	21,594
Vote 3 - Corporate Services	12,643	13,412	1,906	14,783	14,729	14,729	15,430	16,428	17,292
Vote 4 - Community Services	54,081	53,055	73,013	59,060	60,070	60,070	61,217	63,893	67,206
Vote 5 - Community Services	32,391	32,790	35,668	31,217	32,068	32,068	31,275	32,136	30,364
Vote 6 - Community Services	36,177	39,789	51,345	48,611	49,044	49,044	50,250	50,872	53,265
Vote 7 - Human Settlements, Land Affairs & Planning	54,212	91,805	118,294	56,473	76,564	76,564	76,064	36,338	37,670
Vote 8 - Civil Engineering Services	210,495	223,908	262,559	282,200	283,677	283,677	375,602	319,239	313,402
Vote 9 - Electrotechnical Services	189,444	271,192	310,452	371,851	378,466	378,466	406,373	436,189	466,696
Vote 10 - Financial Services	33,047	30,295	28,832	39,912	40,119	40,119	41,502	46,032	48,411
Vote 11 - Financial Services	14,495	15,318	13,764	12,614	15,586	15,586	16,617	17,320	18,144
Total Expenditure by Vote	715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869
Surplus/(Deficit) for the year	3,489	5,558	(6,332)	59,329	64,749	64,749	120,906	59,611	64,947

Table 11 – A4: Budgeted Financial Performance by revenue source and expenditure type

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Revenue By Source</u>										
Property rates	104,491	118,881	127,788	143,847	144,107	144,107	144,107	155,753	161,918	171,634
Property rates - penalties & collection charges	1,322	1,330	1,218	1,521	5,121	5,121	5,121	5,212	5,309	5,412
Service charges - electricity revenue	267,361	310,240	373,785	408,871	417,170	417,170	417,170	434,520	458,277	485,565
Service charges - water revenue	56,002	67,306	66,393	73,742	81,323	81,323	81,323	87,903	91,375	96,857
Service charges - sanitation revenue	40,852	46,462	52,176	58,230	52,467	52,467	52,467	56,715	58,952	62,489
Service charges - refuse revenue	26,305	30,484	35,101	38,932	36,307	36,307	36,307	39,186	40,795	43,243
Service charges - other	8	13	331	352	352	352	352	373	396	419
Rental of facilities and equipment	1,819	1,829	2,103	2,023	2,071	2,071	2,071	2,132	2,260	2,395
Interest earned - external investments	14,673	14,773	14,715	12,455	13,087	13,087	13,087	13,872	14,704	15,586
Interest earned - outstanding debtors	4,127	4,296	3,573	4,061	4,061	4,061	4,061	4,305	4,563	4,837
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	3,759	13,149	15,057	17,248	17,498	17,498	17,498	18,547	19,660	20,840
Licences and permits	2,762	2,106	2,451	2,315	2,315	2,315	2,315	2,454	2,601	2,758
Agency services	5,120	5,427	5,751	6,182	6,182	6,182	6,182	6,534	6,906	6,982
Transfers recognised - operational	62,597	137,138	153,465	156,843	169,026	169,026	169,026	258,828	161,580	153,253
Other revenue	13,943	13,945	16,859	14,431	6,592	6,592	6,592	6,909	7,308	7,732
Gains on disposal of PPE	95	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	605,237	767,379	870,766	941,052	957,678	957,678	957,678	1,093,243	1,036,606	1,080,001
<u>Expenditure By Type</u>										
Employee related costs	219,740	228,773	248,879	260,586	261,797	261,797	261,797	274,806	293,180	313,569
Remuneration of councillors	9,758	10,691	13,868	15,472	15,472	15,472	15,472	16,952	18,139	19,408
Debt impairment	13,946	27,524	19,558	21,294	21,294	21,294	21,294	22,000	29,100	31,200
Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	107,934	100,225	95,888	89,430
Finance charges	47,342	53,170	57,217	54,028	54,420	54,420	54,420	50,037	46,258	42,160
Bulk purchases	151,841	192,921	244,297	279,863	281,839	281,839	281,839	301,850	325,998	352,078
Other materials	331	324	140	194	233	233	233	238	238	238
Contracted services	34,039	94,627	100,248	100,374	117,789	117,789	117,789	208,986	102,796	94,065
Transfers and grants	5,508	5,124	1,188	2,011	1,473	1,473	1,473	1,473	1,486	1,498
Other expenditure	150,596	137,373	135,958	147,480	157,007	157,007	157,007	172,100	181,173	188,224
Loss on disposal of PPE	2,467	440	11,286	–	–	–	–	–	–	–
Total Expenditure	715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869
Surplus/(Deficit)	(109,893)	(78,166)	(68,545)	(42,238)	(61,578)	(61,578)	(61,578)	(55,423)	(57,647)	(51,868)
Transfers recognised - capital	95,910	72,168	50,064	95,321	117,582	117,582	117,582	169,708	110,241	109,376
Contributions recognised - capital	17,472	11,555	12,149	6,246	8,746	8,746	8,746	6,620	7,018	7,439
Contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3,489	5,558	(6,332)	59,329	64,749	64,749	64,749	120,906	59,611	64,947

Table 12 – A5: Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Office of the Municipal Manager	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services	3	456	1,212	–	–	–	–	–	–	–
Vote 3 - Corporate Services	–	–	–	–	–	–	–	–	–	–
Vote 4 - Community Services	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services	936	–	–	–	–	–	–	–	–	–
Vote 6 - Community Services	–	–	–	1,300	–	–	–	–	1,000	8,000
Vote 7 - Human Settlements, Land Affairs & Planning	677	873	–	3,500	–	–	–	6,000	11,500	16,500
Vote 8 - Civil Engineering Services	109,848	33,715	13,046	13,310	–	–	–	134,425	109,520	129,620
Vote 9 - Electrotechnical Services	24,939	21,577	–	–	–	–	–	8,563	16,786	11,456
Vote 10 - Financial Services	–	–	–	–	–	–	–	–	–	–
Vote 11 - Financial Services	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	136,402	56,621	14,259	18,110	–	–	–	148,988	138,806	165,576
Single-year expenditure to be appropriated										
Vote 1 - Office of the Municipal Manager	332	–	84	30	247	247	247	2,600	565	–
Vote 2 - Corporate Services	–	56	573	356	350	350	350	585	290	–
Vote 3 - Corporate Services	484	155	–	460	495	495	495	200	560	–
Vote 4 - Community Services	1,252	287	3,337	5,254	5,835	5,835	5,835	5,330	9,500	–
Vote 5 - Community Services	11,915	1,065	1,519	2,808	7,496	7,496	7,496	7,370	5,813	3,000
Vote 6 - Community Services	–	492	–	7,200	1,855	1,855	1,855	7,270	6,280	2,100
Vote 7 - Human Settlements, Land Affairs & Planning	1,370	5,662	1,375	1,243	998	998	998	3,498	5,200	500
Vote 8 - Civil Engineering Services	67,627	38,149	52,734	90,056	111,757	111,757	111,757	63,250	36,418	32,920
Vote 9 - Electrotechnical Services	23,685	33,428	35,613	25,175	24,186	24,186	24,186	15,041	14,462	14,975
Vote 10 - Financial Services	–	720	200	230	155	155	155	780	280	280
Vote 11 - Financial Services	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	106,665	80,014	95,437	132,812	153,373	153,373	153,373	105,923	79,368	53,775
Total Capital Expenditure - Vote	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351
Capital Expenditure - Standard										
Governance and administration	531	876	284	920	1,527	1,527	1,527	7,905	4,335	1,490
Executive and council	–	–	84	30	247	247	247	2,600	565	–
Budget and treasury office	–	720	200	230	155	155	155	780	280	280
Corporate services	531	155	–	660	1,125	1,125	1,125	4,525	3,490	1,210
Community and public safety	16,834	8,671	8,416	14,221	14,934	14,934	14,934	23,203	33,983	22,000
Community and social services	519	2,423	2,025	1,319	580	580	580	1,575	8,860	500
Sport and recreation	12,842	1,019	1,512	2,808	7,386	7,386	7,386	6,770	5,423	3,000
Public safety	1,942	512	3,739	6,009	5,915	5,915	5,915	6,615	3,500	2,000
Housing	1,530	4,716	1,141	4,085	993	993	993	8,243	16,200	16,500
Health	–	–	–	–	60	60	60	–	–	–
Economic and environmental services	33,652	14,123	13,722	33,229	31,752	31,752	31,752	129,416	87,483	90,388
Planning and development	332	–	–	–	–	–	–	–	–	–
Road transport	33,311	14,077	13,715	33,229	31,752	31,752	31,752	128,816	87,183	90,388
Environmental protection	8	46	7	–	–	–	–	600	300	–
Trading services	192,050	112,965	87,273	102,552	105,160	105,160	105,160	94,388	92,373	105,473
Electricity	48,576	55,005	35,613	25,175	23,786	23,786	23,786	19,544	28,338	25,221
Water	121,994	48,494	21,487	32,866	36,408	36,408	36,408	20,278	14,419	24,161
Waste water management	21,480	8,974	30,172	36,011	43,112	43,112	43,112	47,296	42,336	45,991
Waste management	–	492	–	8,500	1,855	1,855	1,855	7,270	7,280	10,100
Other	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351
Funded by:										
National Government	92,318	60,775	38,703	56,992	44,011	44,011	44,011	130,743	82,984	92,691
Provincial Government	3,592	10,851	11,332	34,454	57,563	57,563	57,563	53,406	42,308	43,305
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	0	542	(0)	–	4,000	4,000	4,000	3,000	–	–
Transfers recognised - capital	95,910	72,168	50,035	91,446	105,575	105,575	105,575	187,148	125,292	135,996
Public contributions & donations	3,000	–	29	–	–	–	–	–	14,000	16,000
Borrowing	126,319	47,704	20,291	11,350	5,350	5,350	5,350	14,370	5,200	2,600
Internally generated funds	17,838	16,762	39,340	48,126	42,449	42,449	42,449	53,393	73,682	64,755
Total Capital Funding	243,067	136,635	109,695	150,922	153,373	153,373	153,373	254,911	218,174	219,351

Table 13 – A6: Budgeted Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS										
Current assets										
Cash	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306
Call investment deposits	–	–	–	–	–	–	–	–	–	–
Consumer debtors	70,730	78,250	87,298	65,384	65,384	65,384	65,384	93,414	91,405	84,195
Other debtors	67,899	37,206	39,105	32,540	32,540	32,540	32,540	34,493	35,527	37,304
Current portion of long-term receivables	802	316	333	226	226	226	226	353	374	396
Inventory	310,015	183,593	185,170	290,787	290,787	290,787	290,787	165,170	129,570	119,770
Total current assets	596,328	531,862	530,807	671,339	544,746	594,903	594,903	461,983	423,566	422,971
Non current assets										
Long-term receivables	1,481	1,357	1,098	852	852	852	852	877	895	859
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	85,475	137,320	149,918	137,315	137,315	137,315	137,315	149,909	149,904	149,899
Investment in Associate	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1,876,605	1,867,101	1,951,123	1,928,346	1,985,328	1,985,328	1,985,328	2,139,705	2,255,181	2,381,072
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	1,920	2,099	1,802	1,929	1,929	1,929	1,929	10,769	9,296	7,525
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	1,965,480	2,007,876	2,103,941	2,068,442	2,125,424	2,125,424	2,125,424	2,301,259	2,415,275	2,539,355
TOTAL ASSETS	2,561,808	2,539,738	2,634,748	2,739,780	2,670,170	2,720,327	2,720,327	2,763,242	2,838,841	2,962,326
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	26,064	30,533	33,843	35,932	35,432	35,432	35,432	36,366	40,145	38,848
Consumer deposits	13,412	14,897	15,933	16,828	16,828	16,828	16,828	17,838	18,373	18,741
Trade and other payables	103,284	123,399	134,358	85,247	85,247	85,247	85,247	101,701	109,685	112,917
Provisions	26,896	22,044	27,850	36,527	36,527	36,542	36,542	22,045	20,351	21,776
Total current liabilities	169,656	190,873	211,985	174,534	174,034	174,049	174,049	177,950	188,555	192,280
Non current liabilities										
Borrowing	487,384	520,870	487,034	462,681	457,881	457,881	457,881	435,885	400,940	364,692
Provisions	80,276	106,386	122,769	94,436	94,436	94,436	94,436	116,079	123,653	128,802
Total non current liabilities	567,661	627,256	609,802	557,117	552,317	552,317	552,317	551,964	524,592	493,494
TOTAL LIABILITIES	737,316	818,129	821,787	731,651	726,351	726,366	726,366	729,914	713,147	685,774
NET ASSETS	1,824,492	1,721,609	1,812,961	2,008,129	1,943,818	1,993,961	1,993,961	2,033,327	2,125,694	2,276,551
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	1,754,409	1,650,898	1,738,950	1,933,883	1,869,572	1,919,730	1,919,730	1,959,312	2,051,911	2,203,020
Reserves	70,083	70,711	74,011	74,246	74,246	74,231	74,231	74,016	73,783	73,531
Minorities' interests	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,824,492	1,721,609	1,812,961	2,008,129	1,943,818	1,993,961	1,993,961	2,033,327	2,125,694	2,276,551

Table 14 – A7: Budgeted Cash Flow

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	576,875	646,715	673,920	801,554	789,323	789,323	789,323	852,193	893,668	946,497
Government - operating	66,202	98,922	164,294	135,322	139,268	139,268	139,268	191,960	158,280	157,671
Government - capital	42,790	167,731	56,490	81,444	113,444	113,444	113,444	186,455	107,273	111,414
Interest	18,800	19,069	18,288	16,760	17,148	17,148	17,148	18,435	19,541	20,714
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(559,264)	(693,354)	(728,049)	(803,968)	(891,784)	(850,000)	(850,000)	(974,932)	(909,522)	(947,581)
Finance charges	(47,342)	(51,759)	(57,217)	(54,028)	(54,420)	(54,420)	(54,420)	(50,037)	(46,258)	(42,160)
Transfers and Grants	(5,508)	(5,124)	(1,188)	(2,011)	(1,473)	(1,473)	(1,473)	(1,473)	(1,486)	(1,498)
NET CASH FROM/(USED) OPERATING ACTIVITIES	92,552	182,201	126,538	175,073	111,505	153,290	153,290	222,602	221,497	245,057
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	176	965	149	7,859	4,000	4,000	4,000	5,000	15,000	10,000
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1,753	1,750	242	5,000	–	–	–	5,000	5,000	5,000
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments										
Capital assets	(243,602)	(137,256)	(109,998)	(150,922)	(153,373)	(145,000)	(145,000)	(250,000)	(210,000)	(211,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(241,673)	(134,541)	(109,607)	(138,063)	(149,373)	(141,000)	(141,000)	(240,000)	(190,000)	(196,000)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	125,200	65,000	–	10,650	5,350	5,350	5,350	14,370	5,200	2,600
Increase (decrease) in consumer deposits	–	–	–	1,982	1,982	1,982	1,982	1,982	1,585	1,807
Payments										
Repayment of borrowing	(22,086)	(27,045)	(30,526)	(32,557)	(32,557)	(32,557)	(32,557)	(36,366)	(40,145)	(38,848)
NET CASH FROM/(USED) FINANCING ACTIVITIES	103,114	37,955	(30,526)	(19,925)	(25,225)	(25,225)	(25,225)	(20,014)	(33,360)	(34,441)
NET INCREASE/ (DECREASE) IN CASH HELD	(46,007)	85,615	(13,596)	17,085	(63,093)	(12,935)	(12,935)	(37,412)	(1,863)	14,616
Cash/cash equivalents at the year begin:	192,888	146,881	232,497	265,316	218,901	218,901	218,901	205,966	168,554	166,690
Cash/cash equivalents at the year end:	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306

Table 15 – A8: Cash backed reserves/accumulated surplus reconciliation

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Cash and investments available										
Cash/cash equivalents at the year end	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306
Other current investments > 90 days	–	–	–	0	–	–	–	–	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–	–	–
Cash and investments available:	146,881	232,497	218,901	282,401	155,808	205,966	205,966	168,554	166,690	181,306
Application of cash and investments										
Unspent conditional transfers	13,412	30,178	41,994	22,000	22,000	22,000	22,000	13,957	27,828	27,635
Unspent borrowing	2,996	20,291	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	(69,306)	(29,523)	(29,936)	(39,343)	(37,281)	(37,281)	(37,281)	(46,008)	(50,925)	(41,820)
Other provisions	–	–	–	–	–	–	–	–	–	–
Long term investments committed	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	199,780	211,549	206,842	107,006	107,006	106,991	106,991	137,999	131,004	129,822
Total Application of cash and investments:	146,881	232,496	218,901	89,663	91,725	91,710	91,710	105,948	107,907	115,637
Surplus(shortfall)	0	0	0	192,738	64,083	114,256	114,256	62,605	58,783	65,670

Table 16 – A9: Asset Management

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	181,209	135,070	92,289	117,344	123,856	123,856	192,672	173,938	175,315
Infrastructure - Road transport	19,870	12,749	6,585	14,394	15,067	15,067	45,011	22,353	23,699
Infrastructure - Electricity	51,598	35,461	32,441	23,329	20,986	20,986	16,256	25,440	21,806
Infrastructure - Water	82,750	39,722	16,748	15,264	33,436	33,436	4,826	9,601	18,611
Infrastructure - Sanitation	18,672	13,021	23,571	21,961	29,387	29,387	30,597	29,129	22,365
Infrastructure - Other	(0)	(0)	2,397	9,500	6,850	6,850	—	—	—
Infrastructure	172,890	100,952	81,742	84,448	105,726	105,726	96,690	86,524	86,481
Community	6,997	28,795	6,091	14,560	6,050	6,050	64,867	65,010	69,189
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	40	40	—	8,500	6,000
Other assets	1,322	4,501	4,262	18,313	12,029	12,029	20,406	13,594	13,615
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	822	193	22	10	10	10,710	310	30
Total Renewal of Existing Assets	61,858	1,565	17,406	33,579	29,518	29,518	62,239	44,237	44,036
Infrastructure - Road transport	13,649	—	5,136	8,054	8,554	8,554	22,320	14,110	11,000
Infrastructure - Electricity	5,171	208	2,119	4,000	3,449	3,449	4,750	5,300	5,000
Infrastructure - Water	31,663	1,331	1,265	4,500	4,200	4,200	4,500	4,500	5,500
Infrastructure - Sanitation	2,114	—	8,590	9,000	9,975	9,975	10,659	7,907	19,126
Infrastructure - Other	0	—	0	—	—	—	300	—	—
Infrastructure	52,597	1,539	17,110	25,554	26,177	26,177	42,529	31,817	40,626
Community	9,022	17	190	6,375	3,190	3,190	9,370	10,870	1,310
Heritage assets	—	—	—	—	—	—	250	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	239	9	107	1,650	150	150	10,090	1,550	2,100
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	—	—	—	—	—	—	—	—
Total Capital Expenditure									
Infrastructure - Road transport	33,519	12,749	11,721	22,448	23,621	23,621	67,331	36,463	34,699
Infrastructure - Electricity	56,770	35,668	34,560	27,329	24,435	24,435	21,006	30,740	26,806
Infrastructure - Water	114,412	41,053	18,013	19,764	37,636	37,636	9,326	14,101	24,111
Infrastructure - Sanitation	20,786	13,021	32,161	30,961	39,362	39,362	41,256	37,036	41,491
Infrastructure - Other	(0)	(0)	2,397	9,500	6,850	6,850	300	—	—
Infrastructure	225,487	102,491	98,852	110,002	131,903	131,903	139,219	118,340	127,107
Community	16,019	28,812	6,281	20,935	9,241	9,241	74,237	75,880	70,499
Heritage assets	—	—	—	—	—	—	250	—	—
Investment properties	—	—	—	—	40	40	—	8,500	6,000
Other assets	1,562	4,510	4,369	19,963	12,179	12,179	30,496	15,144	15,715
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	—	822	193	22	10	10	10,710	310	30
TOTAL CAPITAL EXPENDITURE - Asset class	243,067	136,635	109,695	150,922	153,373	153,373	254,911	218,174	219,351
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	328,066	316,984	338,618	239,989	220,203	220,203	257,681	254,737	253,578
Infrastructure - Electricity	160,331	187,301	258,541	234,694	241,800	241,800	250,113	268,262	282,705
Infrastructure - Water	262,499	321,464	349,951	327,415	341,647	341,647	330,739	326,643	331,320
Infrastructure - Sanitation	160,603	141,098	189,840	255,841	281,462	281,462	312,406	339,145	368,991
Infrastructure - Other	30,541	36,421	36,893	38,736	45,274	45,274	44,751	44,008	43,356
Infrastructure	942,039	1,003,268	1,173,843	1,096,676	1,130,386	1,130,386	1,195,690	1,232,795	1,279,950
Community	118,642	124,182	133,688	180,985	195,708	195,708	263,943	334,708	400,309
Heritage assets	607	607	607	607	607	607	607	607	607
Investment properties	85,475	137,320	149,918	137,315	137,315	137,315	149,909	149,904	149,899
Other assets	815,316	739,043	642,984	650,078	658,627	658,627	679,464	687,071	700,206
Agricultural Assets	—	—	—	—	—	—	—	—	—
Biological assets	—	—	—	—	—	—	—	—	—
Intangibles	1,920	2,099	1,802	1,929	1,929	1,929	10,769	9,296	7,525
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1,963,999	2,006,520	2,102,843	2,067,590	2,124,572	2,124,572	2,300,382	2,414,380	2,538,496
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	100,225	95,888	89,430
Repairs and Maintenance by Asset Class	52,446	55,364	52,814	64,618	66,645	66,645	70,093	73,597	77,282
Infrastructure - Road transport	18,864	19,301	16,945	19,301	19,081	19,081	20,098	21,103	22,158
Infrastructure - Electricity	7,182	6,688	4,977	8,070	6,224	6,224	6,566	6,895	7,247
Infrastructure - Water	6,307	3,506	3,667	6,849	5,641	5,641	5,923	6,219	6,530
Infrastructure - Sanitation	6,657	9,648	10,842	9,660	13,151	13,151	13,885	14,579	15,308
Infrastructure - Other	—	1	7	11	11	11	11	12	12
Infrastructure	39,010	39,145	36,438	43,890	44,107	44,107	46,484	48,808	51,266
Community	1,965	3,449	2,605	3,217	3,741	3,741	3,929	4,121	4,322
Heritage assets	—	—	—	—	—	—	—	—	—
Investment properties	—	—	—	—	—	—	—	—	—
Other assets	11,472	12,770	13,771	17,511	18,797	18,797	19,681	20,668	21,704
TOTAL EXPENDITURE OTHER ITEMS	132,008	149,941	159,486	166,606	174,579	174,579	170,318	169,485	166,713
Renewal of Existing Assets as % of total capex	25.4%	1.1%	15.9%	22.2%	19.2%	19.2%	24.4%	20.3%	20.1%
Renewal of Existing Assets as % of deprecn"	77.7%	1.7%	16.3%	32.9%	27.3%	27.3%	62.1%	46.1%	49.2%
R&M as a % of PPE	2.8%	3.0%	2.7%	3.4%	3.4%	3.4%	3.3%	3.3%	3.2%
Renewal and R&M as a % of PPE	6.0%	3.0%	3.0%	5.0%	5.0%	5.0%	6.0%	5.0%	5.0%

Part 2 – Supporting documentation

2.1 - Disclosure on implementation of the MFMA & other applicable legislation

Municipal Finance Management Act – No 56 of 2003

The MFMA became effective on 1st July 2004. The Act aims to modernise budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. George has been designated as a high capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

2.2 – The budget preparation process

2.2.1 – Overview

A central element of the reforms is a change to the way that municipalities prepare their budgets.

The MFMA requires a council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities (as contained in the IDP) and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and particulars on borrowing, investments, municipal entities and service delivery agreements, grant allocations and details of employment costs.

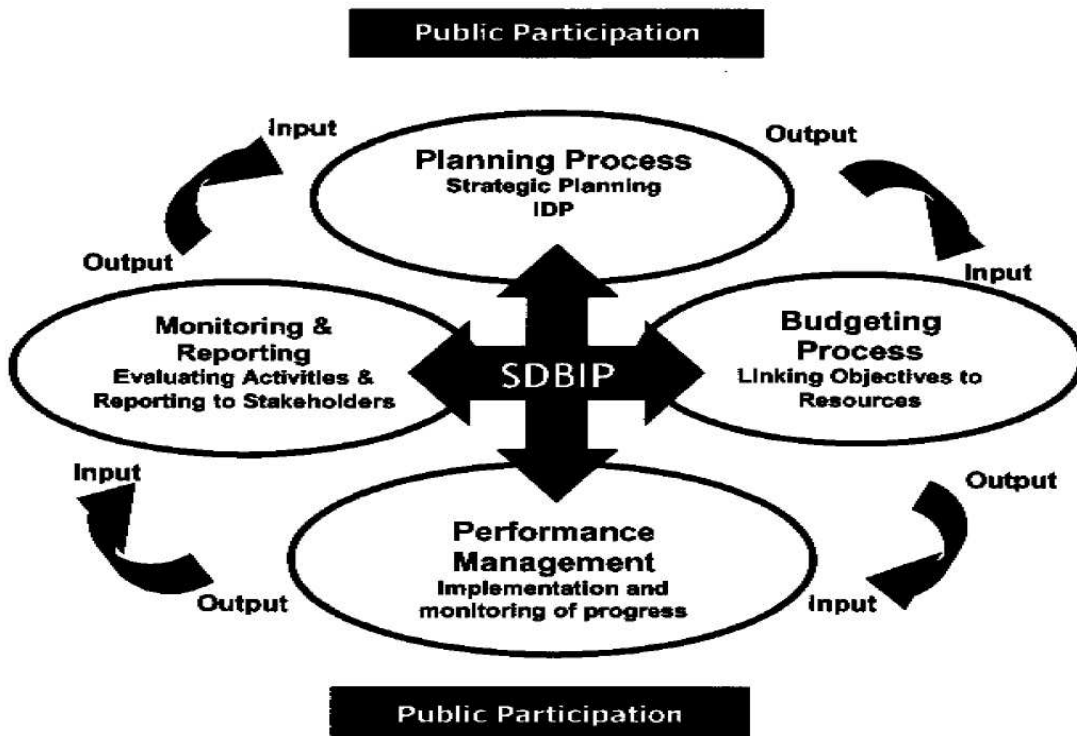
The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

2.2.2 – Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable should be prepared by senior management and tabled by the mayor for council adoption ten months before the commencement of the next budget year.

The next diagram depicts the planning, implementation and monitoring process that is followed in George Municipality.



In terms of Section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year a time schedule of key deadlines that sets out the process to revise the IDP and prepare the budget.

:

Table 17 – Schedule of Key Deadlines relating to the budget process

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE	
PREPARATION PHASE				
Development of IDP & Budget Process Plan	IDP & Budget Office	Approved IDP and Budget Process Plan	July- August 2012	
Advert for the revival of the IDP and Budget Representative Forum and the IDP and budget process (2013/2014)	IDP Office		August/September 2012	
COUNCIL MEETING: Adoption of the IDP and Budget Process Plan	Council		August 2012	
Provincial IDP Indaba 1	IDP Office, MM & All Directors		August 2012	
District IDP Managers’ Forum :WorkingSession on uniform guidelines for IDP Review	IDP Office		August 2012	
Reconstitute the 2013/2014 IDP & Budget Steering Committee	Executive Mayor		September 2012	
Submit Process Plan to the MEC for Local Government	IDP Office		September 2012	
Produce and outline Budget Strategy document with high level estimates	Budget Office		September 2012	
First Meeting of the IDP & Budget Steering Committee	Budget Office		October 2012	
ANALYSIS PHASE				
Present the Process Plan to Stakeholders & Discussions	Focus Group	IDP Office& Executive Mayor /Service Provider	Determine and assess the current level of development and the emerging challenges, opportunities and priority issues	September/October 2012
Review and document information submitted by Directorates		IDP Office		October 2012
First draft situational analysis ready		IDP Office		October 2012

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
District Stakeholder Engagement	IDP Office		October 2012
Budget Related Policies Reviewed	Budget Office		October 2012-April 2013
Budget Instructions issued to Directorates	Budget Office		September/ October 2012
Initial Drafting of operating and capital budget by departments	Budget Office		October 2012
STRATEGY PHASE			
IDP and Budget Steering Committee: Directors present priority issues	IDP& Budget Steering Committee	Develop objectives for priority issues and determine programmes to achieve strategic intent including the development of the Strategic Scorecard	November 2012
Present first draft situational analysis to the IDP & Budget Steering Committee and request inputs for the new Municipal Vision, Mission, Strategies & Objectives	IDP Office		November 2012
MAYCO MEETING: MAYCO to confirm & recommend approval of Situational Analysis, Municipal Vision, Mission, Strategies & Objectives	IDP Office / Executive Mayor		November 2012
Provincial IDP Indaba 2	IDP Office		February 2013
Review tariffs and budget policies	CFO		February 2013
District IDP Managers’ Forum: Working Session dealing with inputs on draft IDP reviews	IDP Office		February 2013
PROJECT PHASE			

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
Set and agree on IDP priority programme/projects	Executive Mayor/MM & CFO	Identify projects and set output, targets	November /December 2012
Drafting of operating and capital budget by departments continue	Budget Office & Directorates		December 2012
Draft Operational and Capital Budget considered by Budget Committee	Budget Office		February 2013
Directorates develop draft 2013/14 SDBIP and present to Portfolio Committees	IDP/Budget Office		March 2013
Multi -year scorecard presented to MAYCO	MM		March 2013
INTEGRATION PHASE			
Directorates identifying programmes and projects with external stakeholders	ALL	Incorporate programmes and projects into IDP	February/March 2013
Integration of sector plans and institutional programmes	IDP Office		March 2013
Financial plan and capital investment plan are developed	CFO		March 2013
Presentation of draft IDP & budget to the IDP and Budget Steering Committee& MAYCO	Executive Mayor / MM/Directors		March 2013
APPROVAL PHASE			
Tabling of the Draft IDP and Budget in Council	Executive Mayor	Approved IDP, budget and SDBIP	March 2013
Related Policies tabled at Council and made public (MFMA Section 16	Budget Office		March 2013

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
& 22)			
Submission of draft IDP and budget to MECs Treasury and Local Government	IDP/Budget Office/MM		April 2013
Invite public comments on Draft IDP and Budget including Roadshows	IDP/Budget Office		April /May 2013
IDP&Budget Steering Committee considers submissions, representations and recommendations from Roadshows. Executive Mayor be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration	ALL		May 2013
Council meeting to adopt final IDP, Budget and Budget Related Policies	Council		May 2013
Submission of Final IDP and budget to MECs Treasury and Local Government	IDP/Budget Office/MM		May/June 2013
Publication of approved IDP and budget on website and in local newspapers	IDP/Budget Office		June 2013
Finalisation and submission of draft 2012/13 SDBIP and annual performance agreement by Municipal Manager to the Executive Mayor	MM	Approved SDBIP and annual performance agreements	June/July 2013
Executive Mayor approves the 2012/13 SDBIP and annual performance agreements of the Municipal Manager and Senior Managers within 28 days after the approval of the IDP and budget.	Executive Mayor		June/July 2013
Submit the approved SDBIP and performance agreements to Council, MEC Local Government within 14 days after approval	MM/ IDP/Budget Office		July 2013
MONITORING AND EVALUATION PHASE			
Commence with the compilation of the Annual Report 2012/2013	IDP Office& Directorates	Compile annual report	July 2012- March 2013

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
Quarterly SDBIP performance progress report for first quarter of 2012/13 Section 80 Committees, MAYCO and Council	IDP/Budget Office	SDBIP performance report noted	October 2012
Quarterly SDBIP performance progress report for second quarter of 2012/13 Section 80 Committees, MAYCO and Council	IDP/Budget Office	SDBIP performance report noted	January 2013
Section 56/57 Managers' half-yearly evaluations for 2012/13	MM& Executive Mayor	Performance evaluated	January 2013
Mid-year budget and performance assessment MFMA Section 72 (1)(2)(3)	MM/ IDP/Budget Office	Mid-Term finance and service delivery performance report compliant to MFMA	January 2013
Executive Mayor tables the Annual Report 2011/12 MFMA Section 127 (2)	Executive Mayor	Annual report 2011/12 tabled	January 2013
Executive Mayor tables adjustment budget for approval by Council MFMA Section 28	Executive Mayor	Approved adjustment budget	February 2013
Publicise both the Annual Report (invite public inputs into the report - MFMA 127 & MSA section 21A) and the adjustment budget on the municipal website and in local newspapers	MM	Annual report and adjustment budget publicised	February/March 2013
Council to consider and adopt Annual & Oversight Report by 31 March MFMA Section 129(1)	MM & Executive Mayor	Oversight report approved	March 2013
Publicise Annual & Oversight Report within seven days of adoption MFMA Section 129(3) & MSA Section 21A	MM		April 2013
Within seven days of adoption of Annual & Oversight Report submit to Provincial Legislature/MEC for Local Government	MM		April 2013
Quarterly SDBIP performance progress report for third quarter of 2012/13 Section 80 Committees, MAYCO and Council	IDP/Budget Office	SDBIP performance report noted	April 2013

DELIVERABLE AND PROCESS MANAGEMENT	RESPONSIBILITY	OUTPUT	DATE
Quarterly SDBIP performance progress report for fourth quarter of 2012/13 Section 80 Committees, MAYCO and Council	IDP/Budget Office	SDBIP performance report noted	July 2013
Section 56/57 Managers' Annual Performance Evaluations for 2012/13	MM& Executive Mayor	Performance evaluated	July 2013

2.2.3 – Tabling of the draft budget

The initial draft budget must be tabled by the mayor before council for review by 30 March.

Once tabled at council, the municipal manager must make public the appropriate budget documentation and submit it to both the national and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

The municipal budget was tabled before Council on 28 March 2013.

2.2.4 – Consultation with the community and key stakeholders

When the draft budget is tabled, council must consider the views of the local community, the national and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

The proposed public participation meetings will be held from 10 – 25 April 2013, within the wards of George. The overall objective of this road show is to ensure an authentic and inclusive public participation process for the IDP and budget.

A steering committee will plan the road shows. This committee will be represented by politicians and officials from all Directorates. It will provide guidance and feedback on areas that requires improvement as the IDP and Budget Road shows unfolds.

A report will be compiled on the outcomes of these road shows and will be made available on request.

Table 18 – Proposed IDP and Budget Road show Programme 2013/14

WARD		COUNCILLOR	DATE	VENUE	TIME	DEPARTMENT
4	Wilderness, KleinKrantz, Touwsrante, Hoekwil, Glenwood	Cllr L van Wyk	WEDNESDAY 10 APRIL 2013	Touwsrante Community Hall	19h00	IDP
1	Blanco	Cllr BFortuin	WEDNESDAY 10 APRIL 2013	Blanco Community Hall	19h00	FINANCE
22	LandelikeGebiede, Diepkloof, Sinksabrug, Waboomskraal, Herald, Geelhoutboom, Bo-dorp, Camphersdrift	Chief Whip Cllr P de Swardt				
7	Lawaaikamp	Cllr Z Ntozini	THURSDAY 11 APRIL 2013	Lawaaikamp Community Hall	18h00	IDP
8	Parkdene, Portion of Ballotsview	Cllr C Standers	THURSDAY 11 APRIL 2013	Parkdene Community Hall	19h00	FINANCE
6	Rosemoor, Protea Park, Urbansville, Portion of Le Vallia,	Cllr J Muller	MONDAY 15 APRIL 2013	Rosemoore Community Hall	19h00	IDP
12	Thembaletu	Cllr N Sixolo	MONDAY 15 APRIL 2013	All Brick Hall	18h00	FINANCE
21	Thembaletu	Cllr S Thanda	TUESDAY 16 APRIL 2013	Thembaletu Primary School	18h00	IDP
9	Thembaletu	Cllr T Teyisi	TUESDAY 16 APRIL 2013	Tyholora Primary School	18h00	FINANCE
10	Thembaletu	Cllr M Gingcana	WEDNESDAY 17 APRIL 2013	Tyholora Primary School	18h00	FINANCE
11	Thembaletu	Cllr N Kamte	WEDNESDAY 17 APRIL 2013	Thembaletu Community Hall	18h00	IDP
13	Thembaletu	Cllr B Salmani	THURSDAY 18 APRIL 2013	Multi-Purpose Centre	18h00	FINANCE
15	Thembaletu	Cllr F Guga	THURSDAY 18 APRIL 2013	Zone 9 Community Hall	18h00	IDP
5	Le Vallia, Bergsig, Loerie Park, Bo-Dorp, Bergsig, Molenrivier-rif	Cllr L Esau	MONDAY 22 APRIL 2013	Main Hall, York Street	19h00	FINANCE
23	Delville Park, Groenewyde Park, HeroldsBay,	Cllr G Stander				

WARD		COUNCILLOR	DATE	VENUE	TIME	DEPARTMENT
	Oubaai, Bos& Dal, Rooirivier					
3	Heather Park, Heatherlands	Cllr E De Villiers				
2	Denneoord , Fernridge, Bo-dorp	Cllr C Neethling				
18	Loeriepark, Tweerivieren, George Park	Cllr G Niehaus				
19	George Sentraal , George South, Dormehlsdrift King George	Cllr I Kritzing				
14	Erf 325 , Pacaltsdorp, Andersonville, Seaview, Europe, Noordstraat	Cllr C Papah	MONDAY 22 APRIL 2013	Pacaltsdorp Community Hall	19h00	IDP
16	New Dawn Park	Cllr H Jones				
20	Borcherds	Cllr M Draghoender	TUESDAY 23 APRIL 2013	YFC centre (Kids stop)	19h00	FINANCE
24	Haarlem, Avontuur, Ongelegen, Nol	Cllr A Wildeman	TUESDAY 23 APRIL 2013	Haarlem Community Hall	19h00	IDP
17	Conville, Rosemoor, Convent Gardens, Mary's View	Cllr D Maritz	WEDNESDAY 24 APRIL 2013	Conville Community Hall	19h00	FINANCE
25	Uniondale, Esseljag, Rooirivier	Cllr M Kleynhans	WEDNESDAY 24 APRIL 2013	Uniondale Community Hall	19h00	IDP
24	Farmers Associations & Organisations	Cllr A Wildeman	THURSDAY 25 APRIL 2013	Avontuur	1900	FINANCE
25	Farmers Associations & Organisations	Cllr M Kleynhans	THURSDAY 25 APRIL 2013	Buffelsdrift	19h00	IDP

2.3 – Service Delivery and Budget Implementation Plan (SDBIP)

The municipal manager must within fourteen days after the approval of the annual budget submit to the mayor for approval a draft service delivery and budget implementation plan and draft annual performance agreements for all pertinent senior staff.

A service delivery and budget implementation plan is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The mayor must approve the draft service delivery and budget implementation plan within 28 days of the approval of the annual budget.

This plan must then be monitored by the mayor and reported on to council on a regular basis. The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Generally, councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if council has approved the project. Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

2.4 – Alignment of Annual Budget with IDP

Local priorities were identified as part of the IDP process which is directly aligned to that of national and provincial priorities.

The IDP strategic objectives and goals are set out in the IDP document.

George is a city for all reasons and this along with the strategic vision and mission has led to the conceptualisation of five strategic goals for George. These goals are as follows:

One	• Deliver Quality Services in George
Two	• Grow George
Three	• Keep George Safe & Green
Four	• Good Governance in George
Five	• Participate in George

The above strategic goals are set to become the catalysts to ensure that the vision and mission is achieved in the next five years.

The 2013/14 MTREF has therefore been directly informed by the IDP and the following tables provide reconciliation between the IDP strategic objectives and goals.

Table 19 – SA4: Reconciliation between IDP strategic objectives and budgeted operating revenue

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Sanitation	Deliver quality Services in George	1	43,540	60,688	97,037	110,569	113,008	113,008	125,377	120,048	127,171
Water Services	Deliver quality Services in George	1	140,873	116,675	111,534	137,301	146,549	146,549	121,665	116,730	129,697
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	1	15,956	9,612	8,962	53,456	57,329	57,329	44,639	7,671	3,679
Transport Planning & Traffic Engineering	Deliver quality Services in George	1	–	–	248	10,000	2,000	2,000	186,519	118,754	105,000
Electricity	Deliver quality Services in George	1	276,355	323,596	387,424	431,605	437,026	437,026	458,100	482,408	514,220
Housing	Deliver quality Services in George	1	12,528	73,351	71,531	26,476	44,778	44,778	42,424	1,628	1,729
Spatial Planning	Good governance in George	4	5,357	5,578	4,022	3,008	3,364	3,364	3,566	3,780	4,007
Property Development	Deliver quality Services in George	1	12,198	6,127	7,534	1,124	3,680	3,680	1,380	1,455	1,535
Public Safety and Law Enforcement	Deliver quality Services in George	1	3,769	12,763	18,495	19,900	20,766	20,766	19,291	20,104	21,268
Road Transport	Deliver quality Services in George	1	7,852	7,418	8,018	8,144	8,144	8,144	8,633	9,151	9,700
Environmental Health	Deliver quality Services in George	1	1	1	1	1	1	1	34	35	35
Public Amenities	Deliver quality Services in George	1	2,804	5,553	3,486	4,536	5,005	5,005	4,626	4,715	1,609
Waste Management	Deliver quality Services in George	1	27,177	31,335	58,344	61,661	57,985	57,985	60,590	61,900	65,621
Sport facilities and Development	Deliver quality Services in George	1	3,036	33	210	2,305	6,517	6,517	3,466	3,467	3,469
Local Economic Development	Grow George	2	334	1	240	–	140	140	–	–	–
Tourism	Grow George	2	–	14	15	16	16	16	17	18	19
Financial viability and management	Good governance in George	4	56,685	74,232	12,458	14,881	19,113	19,113	20,085	20,985	21,982
Revenue enhancement	Good governance in George	4	172	53	339	206	567	567	1,491	1,634	1,734
Credit Control	Good governance in George	4	105,975	120,295	134,686	150,953	151,006	151,006	160,891	167,364	177,406
Budget Formulation and control	Good governance in George	4	607	721	2,699	945	945	945	928	1,023	1,069
People Management and Empowerment	Good governance in George	4	691	524	1,294	500	500	500	500	500	–
Administrative Support	Good governance in George	4	1,623	1,031	2,394	1,738	1,972	1,972	1,822	1,910	2,003
Library Services	Deliver quality Services in George	1	968	1,173	1,310	2,099	2,287	2,287	2,155	7,098	2,288
Integrated Development Planning	Participate in George	5	110	63	521	150	150	150	250	300	320
Communication	Good governance in George	4	–	184	81	100	100	100	100	120	120
HIV/Aids	Keep George Safe & Green	3	3	4	3	–	–	–	–	–	–
Social Development	Keep George Safe & Green	3	3	74	69	944	1,058	1,058	1,023	1,066	1,137
Internal Audit and Risk Management	Good governance in George	4	1	1	26	–	–	–	–	–	–
Allocations to other priorities											
Total Revenue (excluding capital transfers and contributions)			718,619	851,103	932,980	1,042,619	1,084,006	1,084,006	1,269,572	1,153,865	1,196,816

Table 20 – SA5: Reconciliation between IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Sanitation	Deliver quality Services in George	1	47,682	52,438	73,095	57,883	64,464	64,464	63,707	68,898	71,102
Water Services	Deliver quality Services in George	1	69,535	77,538	92,389	90,136	89,297	89,297	90,110	93,368	97,502
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	1	93,278	93,933	96,828	124,181	127,916	127,916	127,396	101,524	95,487
Transport Planning & Traffic Engineering	Deliver quality Services in George	1	–	–	248	10,000	2,000	2,000	94,389	55,449	49,311
Electricity	Deliver quality Services in George	1	190,406	268,241	309,095	367,896	374,409	374,409	402,123	431,743	462,064
Housing	Deliver quality Services in George	1	20,386	80,304	85,012	41,340	63,098	63,098	61,875	21,551	22,203
Spatial Planning	Good governance in George	4	8,637	8,859	11,362	11,231	11,036	11,036	11,654	12,295	12,883
Property Development	Deliver quality Services in George	1	26,556	4,261	15,547	3,997	4,060	4,060	3,774	3,611	3,575
Public Safety and Law Enforcement	Deliver quality Services in George	1	42,757	41,675	57,986	45,287	46,594	46,594	47,255	49,193	51,666
Road Transport	Deliver quality Services in George	1	4,499	4,353	5,780	4,990	4,919	4,919	4,639	4,929	5,230
Environmental Health	Deliver quality Services in George	1	760	782	967	961	994	994	1,042	1,091	1,141
Public Amenities	Deliver quality Services in George	1	26,063	24,981	22,161	25,109	25,867	25,867	25,004	25,889	23,912
Waste Management	Deliver quality Services in George	1	33,870	37,540	48,522	45,750	46,169	46,169	47,296	47,735	49,926
Sport facilities and Development	Deliver quality Services in George	1	6,098	7,703	8,422	8,155	8,378	8,378	8,511	8,520	8,738
Local Economic Development	Grow George	2	1,053	1,451	2,129	1,674	1,819	1,819	1,863	1,930	2,009
Tourism	Grow George	2	1,410	1,808	2,087	2,086	2,102	2,102	2,250	2,385	2,529
Financial viability and management	Good governance in George	4	25,963	23,321	12,637	23,330	25,239	25,239	26,702	27,921	29,259
Revenue enhancement	Good governance in George	4	9,316	9,892	14,326	14,484	14,234	14,234	14,408	15,301	16,313
Credit Control	Good governance in George	4	4,006	3,817	9,992	6,357	6,357	6,357	6,564	9,235	9,618
Budget Formulation and control	Good governance in George	4	2,494	2,798	4,056	3,028	3,002	3,002	3,328	3,544	3,766
People Management and Empowerment	Good governance in George	4	8,206	9,803	1,626	9,544	9,411	9,411	9,573	10,171	10,754
Administrative Support	Good governance in George	4	72,550	69,839	45,184	58,731	59,237	59,237	65,702	67,997	71,846
Library Services	Deliver quality Services in George	1	6,063	6,272	8,284	8,120	7,898	7,898	8,571	8,984	9,483
Integrated Development Planning	Participate in George	5	895	926	1,529	1,060	1,260	1,260	1,385	1,490	1,573
Communication	Good governance in George	4	2,706	1,994	3,265	4,155	5,355	5,355	5,891	6,110	6,325
HIV/Aids	Keep George Safe & Green	3	761	755	963	664	659	659	751	788	827
Social Development	Keep George Safe & Green	3	4,289	4,318	5,822	5,873	6,210	6,210	5,847	6,080	6,306
Internal Audit and Risk Management	Good governance in George	4	4,890	5,944	0	7,270	7,270	7,270	7,055	6,520	6,522
Allocations to other priorities											
Total Expenditure			715,130	845,545	939,312	983,290	1,019,256	1,019,256	1,148,666	1,094,253	1,131,869

Table 21 – SA6: Reconciliation between IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Sanitation	Deliver quality Services in George	A	21,480	8,974	30,172	36,011	43,112	43,112	47,296	42,336	45,991
Water Services	Deliver quality Services in George	B	121,994	48,494	21,487	32,866	36,408	36,408	20,278	14,419	24,161
Roads Streets, Storm water drainage and Sidewalks	Deliver quality Services in George	C	34,002	14,395	14,121	34,489	32,237	32,237	39,471	27,378	36,699
Transport Planning & Traffic Engineering	Deliver quality Services in George	D	–	–	–	–	–	–	90,630	61,805	55,689
Electricity	Deliver quality Services in George	E	48,576	55,005	35,613	25,175	23,786	23,786	19,544	28,338	25,221
Housing	Deliver quality Services in George	F	1,530	4,716	1,141	4,085	993	993	8,243	16,200	16,500
Public Safety and Law Enforcement	Deliver quality Services in George	G	1,252	193	3,333	4,749	5,430	5,430	5,315	1,500	–
Road Transport	Deliver quality Services in George	H	–	–	–	–	–	–	15	–	–
Public Amenities	Deliver quality Services in George	I	519	2,330	2,020	914	365	365	1,575	1,173	500
Waste Management	Deliver quality Services in George	J	–	492	–	8,500	1,855	1,855	7,270	7,280	10,100
Sport facilities and Development	Deliver quality Services in George	K	12,842	1,019	1,512	2,708	7,196	7,196	6,770	5,110	3,000
Local Economic Development	Grow George	L	332	–	–	–	–	–	–	–	–
Financial viability and management	Good governance in George	M	–	720	200	230	155	155	780	280	280
Administrative Support	Good governance in George	N	540	202	91	690	1,372	1,372	7,725	4,355	1,210
Library Services	Deliver quality Services in George	O	–	93	5	505	405	405	–	8,000	–
Social Development	Keep George Safe & Green	P	–	–	–	–	60	60	–	–	–
Allocations to other priorities											
Total Capital Expenditure			243,067	136,635	109,695	150,922	153,373	153,373	254,911	218,174	219,351

2.5 – Overview of budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Section 17 (3) (e) of the Municipal Finance Management Act, (Act No 56 of 2003) prescribes that the Municipality must review the budget related policies annually. Herewith follows suggested changes to Council's budget related policies.

The budget committee considered amendments to various policies and amendments were made.

The following budget related policies were reviewed:

1. Tariff policy
2. Rates policy
3. Customer Care, Credit Control and Debt Collection policy
4. Indigent policy (Free basic services)
5. Virement policy (Shifting of funds)
6. Cash Management, Borrowing and Investment Policy
7. Budget Funding and Reserves policy
8. Supply Chain Management policy
9. Asset Management Policy
10. Personnel policies – overtime, vacancies and temporary staff

The following financial policies need to be reviewed in future:

1. Long-Term Financial policy
2. Infrastructure Investment and capital projects including –
 - Planning and Approval of Capital projects
 - Policy on Developer Contributions
3. Unforeseen and Unavoidable expenditure
4. Policy dealing with Management and Oversight

Budget related policies are attached as Annexures.

2.6 – Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. This section provides a comprehensive summary of all the assumptions used in preparing the budget.

2.6.1 – National Treasury MFMA Circular No 66 & 67

This Circular was issued on 11 December 2012 and 12 March 2013 respectively, and it provides further guidance to municipalities for the preparation of the 2013/14 budget and MTREF and was used in preparing this budget. A copy of the Circulars is attached as an Annexure to this document.

2.6.2 – Inflation Outlook

In MFMA Circular No 67, inflation forecasts are estimated at 5.6%, 5.4% and 5.4% respectively for the years 2013 to 2015.

2.6.3 – Rates, tariffs, charges and timing of revenue collection

The rates, tariffs and charges for the 2013/14 budget are included in Annexure.

The following table shows the assumed average percentage increases built into the MTREF for rates tariffs and charges;

	2013/14	2014/15	2015/16
Rates	8%	6%	6%
Tariffs : Water	8%	6%	6%
Sewerage	8%	6%	6%
Electricity	6.5%	8%	8%
Cleansing	8%	6%	6%
General Charges	8%	6%	6%

The cash flow statement shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

Rates	Annual billing in July. Interim billing throughout the year
Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

2.6.4 – Collection rates for each revenue source and customer type

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

	2013/14	2014/15	2015/16
Provision for bad and doubtful debts	R22m	R29.1m	R31.2m
Assumed collection rate	96%	97%	98%

2.6.5 – Price movements on specifics e.g. bulk purchases

The following amounts are included in the MTREF for increases in bulk purchases;

	2013/14	2014/15	2015/16
ESKOM	R301.8m	R326m	R352m

2.6.6 – Average salary increases

The MTREF includes the following average percentage increases for wages and salary and for councillors' allowances;

	2013/14	2014/15	2015/16
Councillors & Staff	7%	6%	6%

2.6.7 – Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is virtually entirely dependent on its staff. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by George will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period.

	2013/14	2014/15	2015/16
Training Budget	R700 000	R800 000	R850 000

2.6.8 – Trends in demand for free or subsidised basic services

George's criteria for supporting free or subsidised basic services are set out in the Indigent Policy. The Government allocates revenue via the Equitable Share grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation are met by the Municipality.

2.6.9 – Ability of the municipality to spend and deliver on the programmes

By end February 2013, the Municipality has spent R50.6m out of an adjusted capital budget of R153.3 m, equating to 33% of the total budget. Against the original budget of R150.9m the spending is 34%.

Spending is monitored closely throughout the year and Directors must ensure that capital programmes are supported by robust planning. The Municipality is currently reviewing its capital planning processes and will soon implement the capital rating and ranking programme of Ignite Advisory Service.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring. Monthly Section 71 meetings with portfolio councillor, municipal manager, directors and the budget office also forms part of the monitoring tool and directorates must give reasons for poor performance and over spending and put corrective measures in place.

2.6.10 – Implications of restructuring and other major events in the future

Council approved a new organisational structure that reduced the number of directorates from eight to seven. Community Safety was combined with Environmental Affairs to establish the new directorate namely Community Services. Minor changes to the micro structure were also made. These changes were made to streamline service delivery and to affect savings.

The wage curve negotiations are in process but the implementation date is not clear at this stage. Certain legal issues need to be finalized before any implementation can take place.

The implementation of further TASK evaluations need to be finalised before the final budget is approved in May 2013.

2.7 – Other Supporting documents

2.7.1 Investment Particulars by Type

Table 22 – SA15: Investment Particulars by Type

Investment type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Parent municipality									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
Municipality total	-	-	-	-	-	-	-	-	-

2.7.2 Borrowings

Table 23 – SA17: Borrowing

Borrowing - Categorised by type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	487,384	520,870	487,034	453,031	452,531	452,531	421,515	395,740	362,092
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	9,650	5,350	5,350	14,370	5,200	2,600
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Borrowing	487,384	520,870	487,034	462,681	457,881	457,881	435,885	400,940	364,692
Unspent Borrowing - Categorised by type									
Parent municipality									
Long-Term Loans (annuity/reducing balance)	-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)	2,996	20,291	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	-	-	-	-	-	-	-	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	2,996	20,291	-	-	-	-	-	-	-

2.7.3 Grants and subsidies

Table 24 – SA18: Transfers and grants receipt

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	44,793	67,735	77,276	88,100	88,867	88,867	190,671	157,798	160,673
Local Government Equitable Share	43,527	59,340	72,201	80,370	80,370	80,370	85,716	92,615	101,174
Finance Management	750	1,000	1,064	1,250	1,250	1,250	1,300	1,450	1,500
Municipal Systems Improvement	400	750	790	800	800	800	890	934	967
Expanded Public Works Programme	117	–	1,551	736	2,373	2,373	2,285	–	–
Electricity Demand Side Grant	–	4,062	–	–	–	–	5,000	5,000	5,000
Municipal Drought Relief Grant	–	2,583	–	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	2,742	1,872	1,872	3,000	4,452	4,719
Municipal Infrastructure Grant - PMU	–	–	1,670	2,202	2,202	2,202	2,091	1,898	2,002
Public Transport Network Operating Grant	–	–	–	–	–	–	89,389	50,449	44,311
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	1,000	1,000	1,000
Provincial Government:	10,270	71,747	79,404	45,292	53,236	53,236	57,053	16,109	7,260
Housing	5,791	61,593	68,524	19,955	25,590	25,590	25,510	–	–
Proclaimed Roads	229	325	175	13,415	15,415	15,415	24,545	4,000	–
Local Government Masterplanning Grant	1,000	396	–	396	396	396	396	600	600
Housing Consumer Education	200	–	–	–	–	–	–	–	–
Feasibility study for Bulk Water Study	–	–	–	–	–	–	–	–	–
Library Grant	783	1,018	1,240	1,364	1,364	1,364	1,602	6,509	1,660
Community Development Workers Operating Grant	72	149	206	162	162	162	–	–	–
AMP's and Technical Audit Grant	80	–	–	–	–	–	–	–	–
Lawaikamp Artificial Soccer Pitch	500	–	–	–	–	–	–	–	–
Spatial Development Framework	–	–	–	–	–	–	–	–	–
Flood Damage - Housing	1,615	3,000	–	–	–	–	–	–	–
Cleanest Town Competition	–	120	–	–	–	–	–	–	–
Greenest Town Competition	–	–	60	–	–	–	–	–	–
Integrated Public Transport Grant	–	–	9,000	10,000	10,000	10,000	5,000	5,000	5,000
Financial Management Support Grant	–	–	200	–	200	200	–	–	–
Thusong Services Centres Grant	–	–	–	–	109	109	–	–	–
Swimming Pool Grant - Heather Park	–	147	–	–	–	–	–	–	–
Provincial Contribution towards the Acceleration of Housing Deliv	–	5,000	–	–	–	–	–	–	–
District Municipality:	–	500	–	–	–	–	–	–	–
Storm Water Master Planning Grant	–	500	–	–	–	–	–	–	–
Other grant providers:	3,258	2,509	3,545	16,402	16,402	16,402	–	–	–
Storm Water Master Planning (DBSA)	936	197	–	–	–	–	–	–	–
DWAF	1,612	1,788	2,253	2,880	2,880	2,880	–	–	–
LGSETA	687	524	1,292	500	500	500	–	–	–
SANRAL - N2/York Street bridge widening	–	–	–	13,022	13,022	13,022	–	–	–
African Skills Village	23	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	58,321	142,492	160,225	149,794	158,505	158,505	247,724	173,907	167,933
Capital Transfers and Grants									
National Government:	41,571	115,692	46,663	54,500	55,370	52,370	142,354	102,875	108,412
Municipal Infrastructure Grant (MIG)	12,399	22,174	34,639	41,842	41,842	41,842	39,724	36,070	38,044
Finance Management	–	–	186	–	–	–	–	–	–
Flood Damage	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure	7,000	17,163	5,499	3,000	3,000	–	–	–	–
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Municipal Drought Relief Grant	15,000	72,417	–	–	–	–	–	–	–
Municipal Infrastructure Disaster Grant	–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme	–	2,000	5,349	8,400	8,400	8,400	6,000	5,000	8,500
Electricity Demand Side Grant	7,172	1,938	–	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	258	1,128	1,128	–	–	–
Finance Management	–	–	–	–	–	–	–	–	–
Expanded Public Works Programme	–	–	990	1,000	1,000	1,000	1,000	–	–
Neighbourhood Development Grant	–	–	–	–	–	–	5,000	–	–
Public Transport Infrastructure Grant	–	–	–	–	–	–	90,630	61,805	55,689
Provincial Government:	5,196	12,927	13,867	21,500	42,000	42,000	49,495	1,500	–
Housing	2,723	2,999	4,867	20,000	40,500	40,500	47,995	–	–
Mobility Strategy	2,474	9,900	2,000	–	–	–	–	–	–
Proclaimed Roads	–	–	–	–	–	–	–	–	–
Khulani Woman's Project	–	–	–	–	–	–	–	–	–
Library Grant	–	28	–	–	–	–	–	–	–
George Integrated Public Transport Network	–	–	7,000	1,500	1,500	1,500	1,500	1,500	–
District Municipality:	200	–	–	–	–	–	–	–	–
Expansion of Water Resources	–	–	–	–	–	–	–	–	–
Electrification - DMA Area	200	–	–	–	–	–	–	–	–
Other grant providers:	–	–	29	–	4,000	4,000	–	–	–
SWD Cricket	–	–	29	–	–	–	–	–	–
Youth Development against Violence through Sport	–	–	–	–	3,000	3,000	–	–	–
National Lotteries Board	–	–	–	–	1,000	1,000	–	–	–
Total Capital Transfers and Grants	46,967	128,619	60,559	76,000	101,370	98,370	191,849	104,375	108,412
TOTAL RECEIPTS OF TRANSFERS & GRANTS	105,288	271,111	220,784	225,794	259,875	256,875	439,573	278,282	276,345

Table 25 – SA19: Expenditure on transfers and grants

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	46,133	67,491	82,227	88,100	89,485	89,485	190,671	157,798	160,673
Local Government Equitable Share	43,527	59,340	72,201	80,370	80,370	80,370	85,716	92,615	101,174
Finance Management	2,291	1,516	2,676	1,250	1,250	1,250	1,300	1,450	1,500
Municipal Systems Improvement	315	398	1,227	800	800	800	890	934	967
Expanded Public Works Programme	–	–	933	736	2,990	2,990	2,285	–	–
Electricity Demand Side Grant	–	3,654	3,520	–	–	–	5,000	5,000	5,000
Municipal Drought Relief Grant	–	2,583	–	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	2,742	1,872	1,872	3,000	4,452	4,719
Municipal Infrastructure Grant - PMU	–	–	1,670	2,202	2,202	2,202	2,091	1,898	2,002
Public Transport Network Operating Grant	–	–	–	–	–	–	89,389	50,449	44,311
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	1,000	1,000	1,000
Provincial Government:	11,297	66,952	68,323	45,292	45,609	43,609	76,053	16,109	7,260
Housing	5,791	63,439	65,873	19,955	25,590	25,590	25,510	–	–
Proclaimed Roads	229	325	175	13,415	15,415	15,415	24,545	4,000	–
Local Government Masterplanning Grant	1,650	396	–	396	396	396	396	600	600
Housing Consumer Education	470	116	–	–	–	–	–	–	–
Community Development Workers Operating Grant	130	174	122	162	246	246	–	–	–
Feasibility study for Bulk Water Study	–	–	–	–	–	–	–	–	–
Library Grant	783	938	1,131	1,364	1,397	1,397	1,602	6,509	1,660
AMP's and Technical Audit Grant	80	–	–	–	–	–	–	–	–
Lawaakamp Artificial Soccer Pitch	500	–	–	–	–	–	–	–	–
Spatial Development Framework	50	63	262	–	–	–	–	–	–
Flood Damage - Housing	1,615	1,476	515	–	–	–	–	–	–
Cleanest Town Competition	–	25	–	–	–	–	–	–	–
Greenest Town Competition	–	–	60	–	95	95	–	–	–
Integrated Public Transport Grant	–	–	–	10,000	2,000	–	24,000	5,000	5,000
Financial Management Support Grant	–	–	39	–	361	361	–	–	–
Thusong Services Centres Grant	–	–	–	–	109	109	–	–	–
Swimming Pool Grant - Heather Park	–	–	147	–	–	–	–	–	–
Provincial Contribution towards the Acceleration of Housing Delivery	–	–	–	–	–	–	–	–	–
District Municipality:	350	500	197	–	–	–	–	–	–
Storm Water Master Planning Grant	350	500	197	–	–	–	–	–	–
Other grant providers:	3,258	2,312	3,491	16,402	16,402	16,402	–	–	–
Storm Water Master Planning (DBSA)	936	–	–	–	–	–	–	–	–
African Skills Village	23	–	–	–	–	–	–	–	–
DWAF	1,612	1,788	2,199	2,880	2,880	2,880	–	–	–
SANRAL - N2/York Street bridge widening	–	–	–	13,022	13,022	13,022	–	–	–
LGSETA	687	524	1,292	500	500	500	–	–	–
Total operating expenditure of Transfers and Grants:	61,038	137,255	154,239	149,794	151,496	149,496	266,724	173,907	167,933
Capital expenditure of Transfers and Grants									
National Government:	84,627	60,775	44,139	65,600	63,832	49,732	153,745	102,875	108,412
Municipal Infrastructure Grant (MIG)	12,399	13,371	37,434	41,842	40,283	40,283	39,724	36,070	38,044
Finance Management	–	675	186	–	–	–	–	–	–
Flood Damage	–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure	7,000	8,000	180	14,100	14,100	–	11,390	–	–
Public Transport and Systems	–	–	–	–	–	–	–	–	–
Municipal Drought Relief Grant	54,363	32,013	–	–	–	–	–	–	–
Municipal Infrastructure Disaster Grant	6,462	44	–	–	–	–	–	–	–
Integrated National Electrification Programme	–	1,776	5,349	8,400	7,321	7,321	6,000	5,000	8,500
Electricity Demand Side Grant	4,286	4,895	–	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	258	1,128	1,128	–	–	–
Expanded Public Works Programme	117	–	990	1,000	1,000	1,000	1,000	–	–
Neighbourhood Development Grant	–	–	–	–	–	–	5,000	–	6,179
Public Transport Infrastructure Grant	–	–	–	–	–	–	90,630	61,805	55,689
Provincial Government:	3,592	10,851	12,040	30,900	58,616	58,616	41,995	1,500	–
Housing	2,158	2,999	4,867	20,000	48,000	48,000	40,495	–	–
Mobility Strategy	1,102	7,824	7,173	2,400	1,881	1,881	–	–	–
Proclaimed Roads	–	–	–	–	–	–	–	–	–
Khulani Woman's Project	332	–	–	–	80	80	–	–	–
Library Grant	–	28	–	–	155	155	–	–	–
George Integrated Public Transport Network	–	–	–	8,500	8,500	8,500	1,500	1,500	–
District Municipality:	–	–	–	–	402	402	–	–	–
Electrification: Eden	–	–	–	–	200	200	–	–	–
Refuse Transfer Station	–	–	–	–	202	202	–	–	–
Other grant providers:	–	–	29	–	4,000	4,000	–	–	–
SWD Cricket	–	–	29	–	–	–	–	–	–
Youth Development against Violence through Sport	–	–	–	–	3,000	3,000	–	–	–
National Lotteries Board	–	–	–	–	1,000	1,000	–	–	–
Total capital expenditure of Transfers and Grants	88,219	71,626	56,208	96,500	126,850	112,750	195,739	104,375	108,412
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	149,257	208,881	210,447	246,294	278,346	262,246	462,463	278,282	276,345

Table 26 – SA20: Reconciliation of transfers, grants receipts and unspent funds

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
Operating transfers and grants:									
#N/A									
Balance unspent at beginning of the year	4,344	2,888	2,457	–	(2,494)	(2,494)	(3,112)	–	–
Current year receipts	44,677	67,061	77,276	88,100	88,867	88,867	190,671	157,798	160,673
Conditions met - transferred to revenue	46,133	67,491	82,227	88,100	89,484	89,484	187,559	157,798	160,673
Conditions still to be met - transferred to liabilities	2,888	2,457	(2,494)	–	(3,112)	(3,112)	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	(11,606)	(12,181)	(7,375)	–	9,620	9,620	19,248	–	–
Current year receipts	11,910	71,747	79,404	45,292	53,236	53,236	57,053	16,109	7,260
Conditions met - transferred to revenue	12,485	66,936	68,076	45,292	45,608	43,608	76,301	16,109	7,260
Conditions still to be met - transferred to liabilities	(12,181)	(7,369)	3,953	–	17,248	19,248	–	–	–
District Municipality:									
Balance unspent at beginning of the year	350	–	–	–	–	–	–	–	–
Current year receipts	–	500	–	–	–	–	–	–	–
Conditions met - transferred to revenue	350	500	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	–	–	(361)	–	–	–	–	–	–
Current year receipts	3,258	2,509	3,545	16,402	16,402	16,402	–	–	–
Conditions met - transferred to revenue	3,235	2,870	3,688	16,402	16,402	16,402	–	–	–
Conditions still to be met - transferred to liabilities	23	(361)	(504)	–	–	–	–	–	–
Total operating transfers and grants revenue	62,203	137,797	153,991	149,794	151,495	149,495	263,860	173,907	167,933
Total operating transfers and grants - CTBM	(9,270)	(5,273)	955	–	14,136	16,136	–	–	–
Capital transfers and grants:									
#N/A									
Balance unspent at beginning of the year	6,819	(43,928)	7,532	–	8,752	8,752	11,390	–	–
Current year receipts	41,688	116,367	46,663	54,500	55,370	52,370	142,354	102,875	108,412
Conditions met - transferred to revenue	92,435	64,908	45,442	54,500	52,732	49,732	153,744	102,875	108,412
Conditions still to be met - transferred to liabilities	(43,928)	7,532	8,752	–	11,390	11,390	–	–	–
Provincial Government:									
Balance unspent at beginning of the year	4,018	5,057	7,133	9,400	9,115	9,115	(7,500)	–	–
Current year receipts	9,905	12,927	13,867	21,500	42,000	42,000	49,495	1,500	–
Conditions met - transferred to revenue	8,866	10,851	12,040	30,900	58,615	58,615	41,995	1,500	–
Conditions still to be met - transferred to liabilities	5,057	7,133	8,960	–	(7,500)	(7,500)	–	–	–
District Municipality:									
Balance unspent at beginning of the year	202	202	202	–	402	402	–	–	–
Current year receipts	200	200	200	–	–	–	–	–	–
Conditions met - transferred to revenue	–	–	–	–	402	402	–	–	–
Conditions still to be met - transferred to liabilities	402	402	402	–	–	–	–	–	–
Other grant providers:									
Balance unspent at beginning of the year	–	–	–	–	–	–	–	–	–
Current year receipts	–	–	29	–	4,000	4,000	–	–	–
Conditions met - transferred to revenue	–	–	29	–	4,000	4,000	–	–	–
Conditions still to be met - transferred to liabilities	–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue	101,301	75,759	57,511	85,400	115,750	112,750	195,739	104,375	108,412
Total capital transfers and grants - CTBM	(38,468)	15,067	18,115	–	3,890	3,890	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	163,504	213,555	211,502	235,194	267,245	262,244	459,599	278,282	276,345
TOTAL TRANSFERS AND GRANTS - CTBM	(47,738)	9,794	19,070	–	18,026	20,026	–	–	–

2.7.4 Councillors and employee benefits

The total remuneration has increased from R277 million to R291.7 million. The increase of R14.7 million can be contributed to:

- Salary increase of 7% for councillors and employees,
- Provision for temporary staff members of R7.7 million.

Table 27 – SA22: Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Basic Salaries and Wages	6,132	6,824	9,158	10,457	10,457	10,457	11,484	12,288	13,148
Pension and UIF Contributions	714	729	685	682	682	682	730	781	835
Medical Aid Contributions	115	84	108	126	126	126	135	144	154
Motor Vehicle Allowance	2,323	2,538	3,232	3,486	3,486	3,486	3,828	4,096	4,383
Cellphone Allowance	474	516	684	721	721	721	775	830	888
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	9,758	10,691	13,868	15,472	15,472	15,472	16,952	18,139	19,408
% increase		9.6%	29.7%	11.6%	–	–	9.6%	7.0%	7.0%
<u>Senior Managers of the Municipality</u>									
Basic Salaries and Wages	6,230	5,534	4,145	7,700	7,700	7,700	10,184	10,896	11,659
Pension and UIF Contributions	–	–	–	–	–	–	–	–	–
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	624	(14)	587	1,155	1,155	1,155	–	–	–
Motor Vehicle Allowance	–	–	–	–	–	–	–	–	–
Cellphone Allowance	–	–	–	–	–	–	101	101	101
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	6,854	5,519	4,732	8,855	8,855	8,855	10,284	10,997	11,760
% increase		(19.5%)	(14.3%)	87.1%	–	–	16.1%	6.9%	6.9%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	113,692	123,347	134,188	157,194	154,988	154,988	161,455	171,981	183,944
Pension and UIF Contributions	19,444	21,619	23,710	27,929	27,929	27,929	29,053	31,084	33,261
Medical Aid Contributions	7,274	8,655	9,840	14,877	14,877	14,877	15,508	16,569	17,729
Overtime	11,425	13,775	16,666	12,499	15,663	15,663	16,757	17,930	19,185
Performance Bonus	319	134	–	–	–	–	–	–	–
Motor Vehicle Allowance	6,992	7,799	8,622	9,480	9,629	9,629	10,076	10,782	11,537
Cellphone Allowance	518	510	631	443	443	443	330	360	393
Housing Allowances	1,426	1,271	1,328	1,246	1,246	1,246	1,192	1,276	1,365
Other benefits and allowances	17,108	17,445	18,710	15,397	15,501	15,501	16,671	17,778	18,961
Payments in lieu of leave	13,655	10,048	10,739	11,542	11,542	11,542	12,276	13,136	14,056
Long service awards	810	919	796	1,124	1,124	1,124	1,203	1,288	1,378
Post-retirement benefit obligations	20,222	17,731	18,919	–	–	–	–	–	–
Sub Total - Other Municipal Staff	212,886	223,254	244,147	251,731	252,942	252,942	264,522	282,183	301,809
% increase		4.9%	9.4%	3.1%	0.5%	–	4.6%	6.7%	7.0%
TOTAL SALARY, ALLOWANCES & BENEFITS	229,498	239,464	262,748	276,057	277,268	277,268	291,758	311,319	332,977
% increase		4.3%	9.7%	5.1%	0.4%	–	5.2%	6.7%	7.0%
TOTAL MANAGERS AND STAFF	219,740	228,773	248,879	260,586	261,797	261,797	274,806	293,180	313,569

Table 28 – SA23: Salaries, allowances and benefits (political office bearers/councillors and senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	430,324	–	164,704	–	–	595,028
Chief Whip	1	430,324	–	164,704	–	–	595,028
Executive Mayor	1	537,905	–	221,918	–	–	759,823
Deputy Executive Mayor	1	430,324	–	164,704	–	–	595,028
Executive Committee	9	3,630,858	–	1,401,653	–	–	5,032,512
Total for all other councillors	36	6,024,541	864,460	2,485,674	–	–	9,374,676
Total Councillors	49	11,484,276	864,460	4,603,358			16,952,095
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1,691,000	–	14,400	–	–	1,705,400
Chief Finance Officer	1	1,477,000	–	14,400	–	–	1,491,400
Director: Civil Engineering	1	1,403,100	–	14,400	–	–	1,417,500
Director: Electro-technical Services	1	1,403,100	–	14,400	–	–	1,417,500
Director: Corporate Services	1	1,403,100	–	14,400	–	–	1,417,500
Director: Community Services	1	1,403,100	–	14,400	–	–	1,417,500
<i>List of each official with packages >= senior manager</i>							
Director: Human Settlements and Planning	1	1,403,100	–	14,400	–	–	1,417,500
Total Senior Managers of the Municipality	7	10,183,500	–	100,800	–	–	10,284,300
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	56	21,667,776	864,460	4,704,158	–	–	27,236,395

Table 29 – SA24: Summary of personnel numbers

Summary of Personnel Numbers	2011/12			Current Year 2012/13			Budget Year 2013/14		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	49	–	49	49	–	49	49	–	49
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	8	–	4	8	–	5	7	–	7
Other Managers	–	–	–	–	–	–	–	–	–
Professionals	62	51	–	62	51	–	65	52	–
Finance	8	6	–	8	6	–	8	7	–
Spatial/town planning	8	7	–	8	7	–	8	7	–
Information Technology	1	–	–	1	–	–	2	1	–
Roads	–	–	–	–	–	–	–	–	–
Electricity	5	5	–	5	5	–	5	5	–
Water	2	2	–	2	2	–	2	2	–
Sanitation	4	4	–	4	4	–	4	4	–
Refuse	1	1	–	1	1	–	1	1	–
Other	33	26	–	33	26	–	35	25	–
Technicians	136	122	–	171	135	–	204	147	–
Finance	32	28	–	34	30	–	34	30	–
Spatial/town planning	31	28	–	31	28	–	31	28	–
Information Technology	2	2	–	3	2	–	3	3	–
Roads	3	3	–	5	3	–	5	3	–
Electricity	15	12	–	25	15	–	25	15	–
Water	10	8	–	10	8	–	27	15	–
Sanitation	8	8	–	8	8	–	8	8	–
Refuse	–	–	–	–	–	–	–	–	–
Other	35	33	–	55	41	–	71	45	–
Clerks (Clerical and administrative)	202	195	–	222	215	–	222	221	–
Service and sales workers	–	–	–	–	–	–	–	–	–
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	–	–	–	–	–	–	–	–	–
Plant and Machine Operators	250	234	–	260	251	–	290	281	–
Elementary Occupations	385	348	–	386	350	–	410	401	–
TOTAL PERSONNEL NUMBERS	1,092	950	53	1,158	1,002	54	1,247	1,102	56
% increase				6.0%	5.5%	1.9%	7.7%	10.0%	3.7%
Total municipal employees headcount	973	844	53	1,020	877	54	1,109	976	–
Finance personnel headcount	98	92	–	119	108	–	119	110	–
Human Resources personnel headcount	21	14	–	19	17	–	19	16	–

2.7.5 Monthly targets for revenue, expenditure and cash flow

Table 30 – SA25: Budgeted monthly revenue and expenditure by revenue source and expenditure type

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source															
Property rates	155,753	–	0	0	0	0	0	0	–	–	–	–	155,753	161,918	171,634
Property rates - penalties & collection charges	415	425	543	498	453	467	475	444	253	408	419	413	5,212	5,309	5,412
Service charges - electricity revenue	39,832	34,171	36,339	35,065	35,393	35,417	34,476	35,337	35,095	32,017	31,345	50,034	434,520	458,277	485,565
Service charges - water revenue	15,330	5,381	7,544	7,693	7,212	7,991	8,686	7,964	7,704	7,258	6,855	(1,717)	87,903	91,375	96,857
Service charges - sanitation revenue	56,715	–	–	–	–	–	–	–	–	–	–	–	56,715	58,952	62,489
Service charges - refuse revenue	39,186	–	–	–	–	–	–	–	–	–	–	–	39,186	40,795	43,243
Service charges - other	364	0	(2)	1	1	1	2	0	2	2	2	1	373	396	419
Rental of facilities and equipment	256	274	167	30	184	185	216	298	193	214	309	(195)	2,132	2,260	2,395
Interest earned - external investments	449	1,018	(426)	629	858	162	1,879	(205)	133	363	1,254	7,758	13,872	14,704	15,586
Interest earned - outstanding debtors	319	327	383	375	490	340	394	343	356	333	327	318	4,305	4,563	4,837
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	1,586	1,183	1,530	1,418	1,432	1,086	1,538	1,837	1,438	1,577	1,994	1,931	18,547	19,660	20,840
Licences and permits	256	274	167	30	184	185	216	298	193	214	309	127	2,454	2,601	2,758
Agency services	449	1,018	(426)	629	858	162	1,879	(205)	133	363	1,254	420	6,534	6,906	6,982
Transfers recognised - operational	9,480	9,431	11,732	9,431	9,431	9,563	10,871	9,486	9,669	9,431	9,455	150,850	258,828	161,580	153,253
Other revenue	1,125	708	674	611	597	302	479	510	509	550	452	391	6,909	7,308	7,732
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	321,515	54,209	58,226	56,411	57,093	55,863	61,111	56,107	55,677	52,728	53,974	210,330	1,093,243	1,036,606	1,080,001
Expenditure By Type															
Employee related costs	20,234	23,158	22,782	22,987	30,006	23,039	24,216	24,249	22,259	22,226	22,420	17,229	274,806	293,180	313,569
Remuneration of councillors	1,287	1,402	1,345	1,345	1,345	1,345	1,822	1,424	1,773	1,288	1,288	1,289	16,952	18,139	19,408
Debt impairment	167	167	167	167	167	167	167	167	167	167	167	20,167	22,000	29,100	31,200
Depreciation & asset impairment	8,787	8,787	8,787	8,787	8,787	8,787	8,787	5,323	8,372	8,787	7,995	8,237	100,225	95,888	89,430
Finance charges	–	–	–	–	–	25,467	–	–	–	–	–	24,570	50,037	46,258	42,160
Bulk purchases	11	14	24	12	17	19	14	9	13	9	20	301,689	301,850	325,998	352,078
Other materials	18	33,303	49,018	21,100	22,668	21,701	21,267	21,724	18,687	18,813	14,315	(242,377)	238	238	238
Contracted services	12,451	14,071	19,131	14,340	18,786	22,712	13,282	15,388	17,364	18,013	18,110	25,337	208,986	102,796	94,065
Transfers and grants	16	163	107	53	210	297	181	–	110	(2)	161	175	1,473	1,486	1,498
Other expenditure	12,755	15,208	18,957	16,478	15,543	15,955	12,896	12,657	9,701	10,242	8,982	22,726	172,100	181,173	188,224
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	55,725	96,274	120,318	85,271	97,529	119,490	82,633	80,940	78,445	79,544	73,457	179,040	1,148,666	1,094,253	1,131,869
Surplus/(Deficit)	265,790	(42,065)	(62,092)	(28,860)	(40,436)	(63,627)	(21,523)	(24,833)	(22,768)	(26,816)	(19,482)	31,290	(55,423)	(57,647)	(51,868)
Transfers recognised - capital	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	8,396	77,355	169,708	110,241	109,376
Contributions recognised - capital	288	26	1,548	147	141	848	101	819	372	909	162	1,259	6,620	7,018	7,439
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	274,473	(33,644)	(52,148)	(20,318)	(31,899)	(54,383)	(13,026)	(15,619)	(14,000)	(17,511)	(10,925)	109,905	120,906	59,611	64,947

Table 31 – SA26: Budgeted monthly revenue and expenditure by municipal vote

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote															
Vote 1 - Office of the Municipal Manager	3	0	3	5	16	2	1	4	4	1	1	353	392	464	486
Vote 2 - Corporate Services	167	193	161	155	168	148	153	163	163	152	163	180	1,968	2,065	2,169
Vote 3 - Corporate Services	71	15	18	18	19	152	14	69	260	23	50	16	725	738	253
Vote 4 - Community Services	2,770	2,544	2,345	2,214	2,585	1,556	3,583	2,047	1,851	2,173	3,663	2,749	30,080	36,353	33,256
Vote 5 - Community Services	388	564	1,452	405	418	356	2,015	368	358	362	367	1,366	8,419	8,506	5,423
Vote 6 - Community Services	39,338	142	185	154	151	162	150	157	153	171	146	20,014	60,923	62,257	66,003
Vote 7 - Human Settlements, Land Affairs & Planning	1,607	433	627	315	236	204	244	284	384	470	244	41,142	46,191	5,614	5,946
Vote 8 - Civil Engineering Services	89,241	22,337	25,906	24,828	24,318	25,524	25,745	25,529	24,950	25,011	23,892	140,920	478,200	363,204	365,546
Vote 9 - Electrotechnical Services	40,205	34,517	36,822	35,412	35,743	36,007	34,883	35,888	35,523	32,429	31,747	68,924	458,100	482,408	514,220
Vote 10 - Financial Services	156,260	1,656	1,923	3,128	1,856	1,742	1,677	1,927	194	1,782	1,781	4,844	178,770	186,394	197,548
Vote 11 - Financial Services	402	405	476	425	468	359	412	459	379	371	408	1,240	5,804	5,862	5,967
Total Revenue by Vote	330,452	62,806	69,919	67,060	65,977	66,213	68,877	66,896	64,218	62,944	62,462	281,748	1,269,572	1,153,865	1,196,816
Expenditure by Vote to be appropriated															
Vote 1 - Office of the Municipal Manager	4,448	5,823	5,628	5,821	7,116	6,510	5,651	6,796	5,714	5,427	5,075	(9,405)	54,603	55,139	57,826
Vote 2 - Corporate Services	1,202	1,269	1,313	1,283	2,058	2,995	1,257	1,308	1,273	1,207	1,344	3,223	19,733	20,666	21,594
Vote 3 - Corporate Services	3,412	1,398	1,191	1,264	1,796	1,339	1,006	(58)	1,528	850	1,133	571	15,430	16,428	17,292
Vote 4 - Community Services	3,611	4,893	4,514	4,689	5,552	5,432	5,222	4,849	4,641	4,655	4,866	8,293	61,217	63,893	67,206
Vote 5 - Community Services	1,539	2,274	2,040	2,094	2,901	4,199	2,715	2,866	2,301	2,441	1,928	3,975	31,275	32,136	30,364
Vote 6 - Community Services	2,559	3,561	3,454	3,637	3,877	3,841	4,426	4,209	3,286	3,668	3,904	9,828	50,250	50,872	53,265
Vote 7 - Human Settlements, Land Affairs & Planning	4,182	3,942	8,528	3,879	9,002	7,175	2,891	4,068	7,258	7,299	6,916	10,922	76,064	36,338	37,670
Vote 8 - Civil Engineering Services	26,220	28,134	31,737	30,003	29,030	48,919	26,402	22,913	23,632	26,360	23,191	59,058	375,602	319,239	313,402
Vote 9 - Electrotechnical Services	4,913	40,564	56,126	28,049	30,328	35,058	28,893	29,811	25,096	23,883	21,249	82,402	406,373	436,189	466,696
Vote 10 - Financial Services	2,559	3,013	3,040	3,350	3,862	2,909	3,032	3,059	2,657	2,590	2,760	8,670	41,502	46,032	48,411
Vote 11 - Financial Services	1,078	1,404	2,746	1,202	2,007	1,110	1,138	1,120	1,058	1,163	1,090	1,503	16,617	17,320	18,144
Total Expenditure by Vote	55,725	96,274	120,318	85,271	97,529	119,490	82,633	80,940	78,445	79,544	73,457	179,040	1,148,666	1,094,253	1,131,869
Surplus/(Deficit)	274,726	(33,468)	(50,399)	(18,211)	(31,552)	(53,276)	(13,757)	(14,044)	(14,227)	(16,599)	(10,995)	102,708	120,906	59,611	64,947

Table 32 – SA27: Budgeted monthly revenue and expenditure by standard classification

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard															
<i>Governance and administration</i>	158,025	2,218	2,482	3,632	2,465	2,383	2,227	2,575	918	2,253	2,282	6,291	187,751	195,581	206,478
Executive and council	1	(1)	2	4	14	1	–	2	0	(0)	0	1	25	26	27
Budget and treasury office	156,578	1,986	2,236	3,427	2,298	2,026	2,015	2,317	474	2,036	2,025	5,977	183,395	191,005	202,190
Corporate services	1,446	233	244	201	152	356	211	256	444	218	257	313	4,332	4,550	4,261
<i>Community and public safety</i>	2,585	1,970	4,424	2,126	2,033	1,652	3,761	2,435	2,035	2,115	2,678	44,617	72,430	37,487	30,869
Community and social services	125	139	1,548	108	116	65	92	104	91	90	100	255	2,832	7,816	3,048
Sport and recreation	265	411	1,357	277	293	266	1,905	258	262	256	261	1,271	7,081	7,107	3,935
Public safety	2,000	1,190	1,246	1,496	1,482	1,134	1,580	1,895	1,473	1,541	2,041	1,991	19,070	19,869	21,019
Housing	114	105	192	155	55	105	103	98	128	147	194	41,027	42,424	1,628	1,729
Health	81	126	81	90	87	81	81	81	81	81	81	73	1,023	1,066	1,137
<i>Economic and environmental services</i>	17,006	17,572	16,048	16,857	17,217	16,434	18,044	16,303	16,613	16,915	17,667	56,965	243,642	139,691	122,741
Planning and development	378	356	544	274	255	163	204	244	341	416	183	458	3,816	4,080	4,327
Road transport	16,625	17,212	15,502	16,580	16,959	16,268	17,837	16,056	16,269	16,497	17,481	56,504	239,791	135,577	118,379
Environmental protection	3	3	3	3	3	3	3	3	3	3	3	3	34	35	35
<i>Trading services</i>	152,834	41,045	46,964	44,444	44,262	45,743	44,844	45,580	44,648	41,660	39,835	173,873	765,732	781,087	836,709
Electricity	40,205	34,517	36,822	35,412	35,743	36,007	34,883	35,888	35,523	32,429	31,747	68,924	458,100	482,408	514,220
Water	16,208	6,115	9,023	8,515	8,022	9,161	9,491	9,019	8,595	8,424	7,644	21,449	121,665	116,730	129,697
Waste water management	57,111	299	961	391	373	441	349	544	405	664	326	63,514	125,377	120,048	127,171
Waste management	39,310	114	157	126	123	134	122	129	125	143	118	19,986	60,590	61,900	65,621
<i>Other</i>	2	1	1	1	1	1	1	2	4	1	1	2	17	18	19
Total Revenue - Standard	330,452	62,806	69,919	67,060	65,977	66,213	68,877	66,896	64,218	62,944	62,462	281,748	1,269,572	1,153,865	1,196,816

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Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure - Standard		97,817	108,835	102,859	102,105	102,450	104,056	103,135	100,172	95,879	94,492				
<i>Governance and administration</i>	12,468	12,756	13,838	12,711	16,285	12,848	11,967	11,571	11,932	11,331	10,678	2,845	141,230	148,555	156,040
Executive and council	3,812	4,446	4,053	4,257	4,539	4,300	4,824	5,161	4,474	3,964	3,976	(11,647)	36,159	36,705	38,868
Budget and treasury office	3,310	4,660	6,290	4,852	7,110	4,804	4,014	4,219	3,302	3,891	3,616	10,700	60,767	65,377	68,488
Corporate services	5,347	3,650	3,496	3,602	4,636	3,745	3,129	2,191	4,155	3,476	3,085	3,792	44,303	46,473	48,683
<i>Community and public safety</i>	8,089	9,670	13,612	9,251	15,659	16,885	9,194	10,739	12,657	12,702	12,245	22,395	153,097	115,993	117,800
Community and social services	1,067	1,230	1,239	1,272	1,755	2,973	1,458	1,326	1,243	1,244	1,421	3,348	19,575	20,372	21,221
Sport and recreation	906	1,413	1,245	1,308	1,632	3,127	1,447	1,518	1,583	1,386	1,197	2,672	19,435	19,764	17,453
Public safety	2,473	3,649	3,283	3,492	3,998	4,133	3,966	3,608	3,432	3,479	3,615	6,484	45,613	47,437	49,790
Housing	3,323	2,871	7,435	2,772	7,480	5,975	1,815	3,397	6,021	6,034	5,659	9,092	61,875	21,551	22,203
Health	320	507	410	405	793	677	508	890	378	559	353	798	6,599	6,868	7,133
<i>Economic and environmental services</i>	18,138	19,550	20,721	21,366	21,065	33,667	18,576	17,261	15,856	18,753	17,837	25,944	248,733	185,456	174,786
Planning and development	1,129	1,259	1,238	1,386	1,903	1,457	1,229	1,356	1,581	1,319	1,860	2,352	18,069	19,090	20,062
Road transport	16,721	17,959	19,173	19,677	18,711	31,882	16,753	15,552	13,970	17,143	15,674	23,208	226,424	161,902	150,028
Environmental protection	288	331	310	303	452	329	593	353	304	290	303	384	4,240	4,463	4,696
<i>Trading services</i>	16,865	54,094	71,981	41,767	44,222	55,799	42,728	41,205	37,828	36,603	32,495	127,649	603,236	641,745	680,594
Electricity	4,678	40,236	55,815	27,736	30,023	34,728	28,555	29,488	24,771	23,579	20,925	81,587	402,123	431,743	462,064
Water	5,737	6,957	6,986	5,880	7,225	11,145	6,374	5,998	7,546	6,728	6,023	13,512	90,110	93,368	97,502
Waste water management	4,239	3,758	6,133	4,965	3,710	6,485	3,900	1,906	2,644	3,016	2,010	23,272	66,038	71,363	73,709
Waste management	2,211	3,142	3,048	3,186	3,264	3,442	3,899	3,813	2,867	3,280	3,536	9,278	44,965	45,271	47,319
<i>Other</i>	165	205	166	176	299	289	169	164	173	156	202	207	2,371	2,505	2,649
Total Expenditure - Standard	55,725	96,274	120,318	85,271	97,529	119,490	82,633	80,940	78,445	79,544	73,457	179,040	1,148,666	1,094,253	1,131,869
Surplus/(Deficit)	274,726	(33,468)	(50,399)	(18,211)	(31,552)	(53,276)	(13,757)	(14,044)	(14,227)	(16,599)	(10,995)	102,708	120,906	59,611	64,947

Table 33 – SA28: Budgeted monthly capital expenditure by municipal vote

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated															
Vote 1 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000	8,000
Vote 7 - Human Settlements, Land Affairs & Planning	-	-	-	-	-	6,000	-	-	-	-	-	-	6,000	11,500	16,500
Vote 8 - Civil Engineering Services	-	-	-	-	24,506	83,330	15,000	-	8,000	-	3,589	-	134,425	109,520	129,620
Vote 9 - Electrotechnical Services	-	-	-	500	5,663	-	-	-	-	-	400	2,000	8,563	16,786	11,456
Vote 10 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	500	30,169	89,330	15,000	-	8,000	-	3,989	2,000	148,988	138,806	165,576
Single-year expenditure to be appropriated															
Vote 1 - Office of the Municipal Manager	-	-	-	50	-	-	-	2,550	-	-	-	-	2,600	565	-
Vote 2 - Corporate Services	-	20	5	160	20	50	-	200	-	-	130	-	585	290	-
Vote 3 - Corporate Services	-	-	50	150	-	-	-	-	-	-	-	-	200	560	-
Vote 4 - Community Services	-	15	75	1,550	350	1,500	140	200	-	-	1,500	-	5,330	9,500	-
Vote 5 - Community Services	-	-	650	1,900	640	230	470	230	300	1,070	80	1,800	7,370	5,813	3,000
Vote 6 - Community Services	-	-	-	-	-	-	1,250	20	350	100	5,550	-	7,270	6,280	2,100
Vote 7 - Human Settlements, Land Affairs & Planning	-	-	-	-	255	1,000	1,100	313	830	-	-	-	3,498	5,200	500
Vote 8 - Civil Engineering Services	-	-	1,120	7,160	1,481	1,140	23,837	15,500	10,882	1,450	380	300	63,250	36,418	32,920
Vote 9 - Electrotechnical Services	-	-	1,600	1,806	2,400	4,000	1,525	510	1,700	1,500	-	-	15,041	14,462	14,975
Vote 10 - Financial Services	-	-	450	300	-	30	-	-	-	-	-	-	780	280	280
Vote 11 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	35	3,950	13,076	5,146	7,950	28,322	19,523	14,062	4,120	7,640	2,100	105,923	79,368	53,775
Total Capital Expenditure	-	35	3,950	13,576	35,315	97,280	43,322	19,523	22,062	4,120	11,629	4,100	254,911	218,174	219,351

Table 34 – SA29: Budgeted monthly capital expenditure by standard classification

Description R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Capital Expenditure - Standard</u>															
<i>Governance and administration</i>	-	-	1,040	1,080	1,155	1,880	-	2,750	-	-	-	-	7,905	4,335	1,490
Executive and council	-	-	-	50	-	-	-	2,550	-	-	-	-	2,600	565	-
Budget and treasury office	-	-	450	300	-	30	-	-	-	-	-	-	780	280	280
Corporate services	-	-	590	730	1,155	1,850	-	200	-	-	-	-	4,525	3,490	1,210
<i>Community and public safety</i>	-	20	730	3,860	2,000	9,030	1,710	743	1,130	470	1,710	1,800	23,203	33,983	22,000
Community and social services	-	20	5	160	10	-	750	-	500	-	130	-	1,575	8,860	500
Sport and recreation	-	-	650	1,900	640	230	470	230	300	470	80	1,800	6,770	5,423	3,000
Public safety	-	-	75	1,800	1,100	1,800	140	200	-	-	1,500	-	6,615	3,500	2,000
Housing	-	-	-	-	250	7,000	350	313	330	-	-	-	8,243	16,200	16,500
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	-	15	-	3,500	20,000	75,933	13,446	9,740	6,182	600	-	-	129,416	87,483	90,388
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	15	-	3,500	20,000	75,933	13,446	9,740	6,182	-	-	-	128,816	87,183	90,388
Environmental protection	-	-	-	-	-	-	-	-	-	600	-	-	600	300	-
<i>Trading services</i>	-	-	2,180	5,136	12,160	10,437	28,167	6,290	14,750	3,050	9,919	2,300	94,388	92,373	105,473
Electricity	-	-	1,060	1,726	6,923	2,200	1,525	510	1,700	1,500	400	2,000	19,544	28,338	25,221
Water	-	-	100	300	4,707	420	10,092	3,730	200	400	30	300	20,278	14,419	24,161
Waste water management	-	-	1,020	3,110	530	7,817	15,300	2,030	12,500	1,050	3,939	-	47,296	42,336	45,991
Waste management	-	-	-	-	-	-	1,250	20	350	100	5,550	-	7,270	7,280	10,100
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	-	35	3,950	13,576	35,315	97,280	43,322	19,523	22,062	4,120	11,629	4,100	254,911	218,174	219,351

Table 35 – SA30: Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Receipts By Source													1		
Property rates	20,715	28,113	36,991	7,398	7,398	7,398	5,919	4,439	7,398	7,398	7,398	7,398	147,966	153,823	163,052
Property rates - penalties & collection charges	261	156	730	156	156	156	104	208	208	208	730	2,137	5,212	5,309	5,412
Service charges - electricity revenue	39,970	36,847	39,473	39,427	39,334	39,841	37,317	39,150	38,690	36,847	34,084	39,611	460,591	485,774	514,699
Service charges - water revenue	6,988	6,056	7,454	6,988	7,081	8,982	8,852	8,637	8,852	7,314	8,852	7,119	93,177	96,857	102,669
Service charges - sanitation revenue	4,990	4,990	5,230	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	4,990	60,118	62,489	66,239
Service charges - refuse revenue	3,730	3,730	3,589	3,614	3,323	3,614	3,323	3,323	3,323	3,323	3,323	3,323	41,537	43,243	45,837
Service charges - other	32	32	47	32	32	32	32	32	32	32	32	32	396	419	444
Rental of facilities and equipment	426	171	107	171	192	213	107	171	107	128	171	171	2,132	2,260	2,395
Interest earned - external investments	1,110	1,110	1,248	1,110	1,110	1,248	1,110	1,110	1,248	1,110	1,110	1,248	13,872	14,704	15,586
Interest earned - outstanding debtors	365	365	411	365	365	411	365	365	411	365	365	411	4,563	4,837	5,127
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	556	1,113	2,782	1,484	2,782	1,113	1,484	1,298	1,484	1,484	1,484	1,484	18,547	19,660	20,840
Licences and permits	196	196	221	196	221	196	196	221	196	221	196	196	2,454	2,601	2,758
Agency services	523	588	523	523	523	588	523	523	588	523	523	588	6,534	6,906	6,982
Transfer receipts - operational	28,794	11,518	5,759	3,839	7,678	23,035	3,839	3,839	26,874	23,035	23,035	30,714	191,960	158,280	157,671
Other revenue	553	553	553	553	553	553	553	553	553	553	553	829	6,909	7,308	7,732
Cash Receipts by Source	109,209	95,538	105,117	70,845	75,738	92,371	68,712	68,859	94,954	87,531	86,844	100,250	1,055,968	1,064,472	1,117,443
Other Cash Flows by Source															
Transfer receipts - capital	18,646	17,713	7,458	5,594	16,781	22,375	14,916	22,375	27,968	7,458	13,984	11,187	186,455	107,273	111,414
Contributions recognised - capital & Contributed assets	66	-	63	6	1	725	331	530	199	1,655	1,655	1,390	6,620	7,018	7,439
Proceeds on disposal of PPE	157	-	-	2,564	79	236	157	236	236	79	236	1,022	5,000	15,000	10,000
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	14,370	-	14,370	5,200	2,600
Increase (decrease) in consumer deposits	(71)	(218)	279	(307)	166	371	595	(26)	202	178	129	684	1,982	1,585	1,807
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(500)	(6,385)	(13,850)	7,100	(33,650)	(3,485)	5,500	(14,350)	13,210	4,750	4,010	42,650	5,000	5,000	5,000
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	127,507	106,648	99,068	85,801	59,115	112,592	90,212	77,623	136,768	101,651	121,228	157,183	1,275,395	1,205,547	1,255,702

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MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash Payments by Type															
Employee related costs	21,139	21,139	21,139	21,139	42,278	21,139	21,139	21,139	21,139	21,139	21,139	21,139	274,806	293,180	313,569
Remuneration of councillors	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	1,413	16,952	18,139	19,408
Finance charges	-	-	500	-	-	24,518	-	-	-	500	-	24,518	50,037	46,258	42,160
Bulk purchases - Electricity	29,461	30,185	29,249	30,185	16,602	16,300	16,300	15,998	27,770	30,185	30,185	29,430	301,850	325,998	352,078
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	4	5	64	7	8	8	26	8	8	17	36	48	238	238	238
Contracted services	9,300	7,544	9,007	21,526	23,824	23,615	12,602	21,526	27,795	17,416	17,416	17,416	208,986	102,796	94,065
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	96	96	103	118	118	243	110	103	103	118	133	133	1,473	1,486	1,498
Other expenditure	7,968	10,226	11,290	14,690	14,567	16,272	13,776	12,993	17,210	11,966	15,530	25,612	172,100	169,173	168,224
Cash Payments by Type	69,380	70,608	72,766	89,077	98,810	103,509	65,366	73,179	95,438	82,752	85,850	119,707	1,026,441	957,266	991,239
Other Cash Flows/Payments by Type															
Capital assets	2,473	2,524	10,196	15,295	18,795	20,393	16,295	20,393	30,589	35,383	34,089	43,575	250,000	210,000	211,000
Repayment of borrowing	-	-	873	-	-	15,405	-	-	-	873	-	19,215	36,366	40,145	38,848
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	71,852	73,132	83,835	104,372	117,604	139,307	81,661	93,572	126,027	119,009	119,939	182,497	1,312,807	1,207,411	1,241,086
NET INCREASE/(DECREASE) IN CASH HELD	55,654	33,516	15,233	(18,571)	(58,489)	(26,715)	8,551	(15,949)	10,741	(17,358)	1,289	(25,314)	(37,412)	(1,863)	14,616
Cash/cash equivalents at the month/year begin:	205,966	261,620	295,136	310,369	291,798	233,309	206,594	215,145	199,196	209,937	192,579	193,868	205,966	168,554	166,690
Cash/cash equivalents at the month/year end:	261,620	295,136	310,369	291,798	233,309	206,594	215,145	199,196	209,937	192,579	193,868	168,554	168,554	166,690	181,306

2.7.6 External mechanisms

Table 36 – SA32: List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Southern Ambition 239 cc and A&V Civils	Yrs	3	Cleaning of private plots and cutting grass	30 June 2014	2,200
Combo Sign (PTY) Ltd	Yrs	3	Supply and Maintenance of Street refuse containers	31 October 2014	522
H2O Plumbers	Yrs	3	Plumbing Maintenance of Municipal buildings	31 October 2014	250
ME Smit Enterprizes	Yrs	2	Operation and maintenance of George Swimming pool	31 January 2013	194
Suiderkruis Security (PTY) Ltd	Yrs	3	Supply and maintenance of CCTV Surveillance System and Equipment	31 October 2014	983
Light-Be Construction & Maintenance	Yrs	3	Preventative Maintenance on 11 000 volt Ring Main Units	30 June 2014	200
V & V Consulting Engineers (PTY) Ltd	Yrs	3	Consulting engineers to update Pavement Management System	30 December 2014	234
Lithotech Afric Mail a Division of Bidvest Paperplus (PTY) Ltd	Yrs	3	Printing of Monthly accounts	31 January 2015	1,943
Sebata Municipal Solutions (PTY) Ltd	Yrs	3	Reading of Water / Electricity meters	31 January 2015	2,040
Vox Orion (PTY) Ltd	Yrs	3	Cell Phone call routing	31 March 2015	900
Youth for Christ Southern Cape	Yrs	1	Management of Centre for children living on streets	30 June 2013	280
Dylonn's General Construction	Yrs	1	Installation of Sewer Connections	30 June 2013	150
CD Emmie Construction	Yrs	1	Installation of Sewer Connections	30 June 2013	150
Ernst & Young Advisory Services	Yrs	3	Internal Audit fiuction/services	30 November 2012	2,500
SBV Services (PTY)Ltd	Yrs	2	Transportation of Cash per year	31 October 2014	22
Margot Swiss International (PTY)Ltd	Yrs	1	Supply of soup products	31 August 2013	1,471
Borchards Contractors	Yrs	3	Collection of recyclable waste	30 June 2015	5,370
A & V Civilc cc	Yrs	2	Maintenance: Spraying of Sidewalks	30 June 2014	816
Magic Moppers Mowers and Movers	Yrs	2	Maintenance: Spraying of Sidewalks	30 June 2014	749
Voluway (PTY)Ltd	Yrs	2	Maintenance: Manual machines	30 June 2014	354
Forest Tree Nursery	Yrs	2	Maintenance:Manual machines	30 June 2014	517
Forest Tree Nursery	Yrs	2	Maintenance: Flowerbeds and Young trees	30 June 2014	396
Eco Projects	Yrs	2	Maintanance: Flowerbeds and Young trees	30 June 2014	407
Konica Minolta	Yrs	3	Lease of Multi-functional copier per month	28 October 2015	2
Nashua George	Yrs	3	Lease of Multi-functional copier per month	42326	1

2.7.7 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme.

Table 37 – SA34a: Capital Expenditure on new assets by asset class

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	172,890	100,952	81,742	84,448	105,726	105,726	96,690	86,524	86,481
Infrastructure - Road transport	19,870	12,749	6,585	14,394	15,067	15,067	45,011	22,353	23,699
<i>Roads, Pavements & Bridges</i>	15,821	12,539	3,603	13,517	14,190	14,190	43,829	22,303	23,699
<i>Storm water</i>	4,049	209	2,982	877	877	877	1,182	50	–
Infrastructure - Electricity	51,598	35,461	32,441	23,329	20,986	20,986	16,256	25,440	21,806
<i>Generation</i>	–	–	–	–	–	–	–	–	–
<i>Transmission & Reticulation</i>	50,783	30,066	32,034	22,069	20,501	20,501	14,956	23,440	19,806
<i>Street Lighting</i>	815	5,395	406	1,260	485	485	1,300	2,000	2,000
Infrastructure - Water	82,750	39,722	16,748	15,264	33,436	33,436	4,826	9,601	18,611
<i>Dams & Reservoirs</i>	497	149	53	250	75	75	100	1,600	10,000
<i>Water purification</i>	–	–	–	–	–	–	–	–	–
<i>Reticulation</i>	82,252	39,573	16,694	15,014	33,361	33,361	4,726	8,001	8,611
Infrastructure - Sanitation	18,672	13,021	23,571	21,961	29,387	29,387	30,597	29,129	22,365
<i>Reticulation</i>	18,160	6,114	17,217	11,236	16,556	16,556	30,597	29,129	22,365
<i>Sewerage purification</i>	512	6,907	6,355	10,725	12,831	12,831	–	–	–
Infrastructure - Other	(0)	(0)	2,397	9,500	6,850	6,850	–	–	–
<i>Waste Management</i>	–	–	–	–	–	–	–	–	–
<i>Transportation</i>	–	–	2,397	9,500	6,850	6,850	–	–	–
<i>Gas</i>	–	–	–	–	–	–	–	–	–
<i>Other</i>	(0)	(0)	0	–	–	–	–	–	–
Community	6,997	28,795	6,091	14,560	6,050	6,050	64,867	65,010	69,189
Parks & gardens	–	–	–	100	190	190	–	100	–
Sportsfields & stadia	4,549	481	424	–	4,125	4,125	3,380	3,800	3,000
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	506	1,328	1,212	–	–	–	–	–	–
Libraries	–	65	–	–	–	–	–	–	–
Recreational facilities	–	527	180	12,560	–	–	10,342	100	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	174	22,291	2,320	1,050	970	970	2,535	2,210	–
Buses	–	–	–	–	–	–	46,610	50,950	55,689
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–	40	–
Social rental housing	485	3,031	–	–	–	–	–	–	–
Other	1,282	1,071	1,956	850	765	765	2,000	7,810	10,500
Investment properties	–	–	–	–	40	40	–	8,500	6,000
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	40	40	–	8,500	6,000
Other assets	1,322	4,501	4,262	18,313	12,029	12,029	20,406	13,594	13,615
General vehicles	48	1,310	232	9,400	5,100	5,100	6,640	950	500
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	596	2,078	3,692	6,384	5,297	5,297	9,451	8,134	4,360
Computers - hardware/equipment	484	206	144	569	459	459	3,265	390	405
Furniture and other office equipment	21	731	182	560	773	773	850	570	150
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	350	–	–	200	500	500
Other Buildings	–	176	14	500	325	325	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	174	–	–	550	75	75	–	3,050	7,700
Intangibles	–	822	193	22	10	10	10,710	310	30
Computers - software & programming	–	822	193	22	10	10	10,710	310	30
Total Capital Expenditure on new assets	181,209	135,070	92,289	117,344	123,856	123,856	192,672	173,938	175,315

Table 38 – SA34b: Capital Expenditure on the renewal of assets by asset class

Description R thousand	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	52,597	1,539	17,110	25,554	26,177	26,177	42,529	31,817	40,626
Infrastructure - Road transport	13,649	–	5,136	8,054	8,554	8,554	22,320	14,110	11,000
Roads, Pavements & Bridges	13,649	–	5,136	8,054	8,554	8,554	22,320	14,110	11,000
Storm water	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	5,171	208	2,119	4,000	3,449	3,449	4,750	5,300	5,000
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	5,171	208	2,119	4,000	3,449	3,449	4,750	5,300	5,000
Street Lighting	–	–	–	–	–	–	–	–	–
Infrastructure - Water	31,663	1,331	1,265	4,500	4,200	4,200	4,500	4,500	5,500
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	31,663	1,331	1,265	4,500	4,200	4,200	4,500	4,500	5,500
Infrastructure - Sanitation	2,114	–	8,590	9,000	9,975	9,975	10,659	7,907	19,126
Reticulation	1,830	–	5,357	9,000	9,975	9,975	4,070	3,000	4,000
Sewerage purification	284	–	3,233	–	–	–	6,589	4,907	15,126
Infrastructure - Other	0	–	0	–	–	–	300	–	–
Waste Management	–	–	–	–	–	–	–	–	–
Transportation	–	–	–	–	–	–	300	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	0	–	0	–	–	–	–	–	–
Community	9,022	17	190	6,375	3,190	3,190	9,370	10,870	1,310
Parks & gardens	–	–	–	–	–	–	–	–	–
Sportsfields & stadia	8,294	–	29	2,700	3,070	3,070	1,620	340	–
Swimming pools	–	–	147	–	–	–	80	10	–
Community halls	–	–	–	175	120	120	–	–	–
Libraries	–	–	–	–	–	–	–	8,000	–
Recreational facilities	–	–	–	–	–	–	–	–	–
Fire, safety & emergency	–	–	–	–	–	–	–	–	–
Security and policing	–	–	14	–	–	–	80	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	–	–	–	–	–	–	–	–
Social rental housing	–	–	–	–	–	–	–	–	–
Other	728	17	–	3,500	–	–	7,590	2,520	1,310
Heritage assets	–	–	–	–	–	–	250	–	–
Buildings	–	–	–	–	–	–	250	–	–
Other	–	–	–	–	–	–	–	–	–
Other assets	239	9	107	1,650	150	150	10,090	1,550	2,100
General vehicles	–	–	–	–	–	–	2,080	–	600
Specialised vehicles	–	–	–	1,000	–	–	6,800	1,300	1,500
Plant & equipment	239	–	3	–	–	–	1,160	100	–
Computers - hardware/equipment	–	9	17	–	–	–	50	150	–
Furniture and other office equipment	–	–	86	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	–	–	150	150	150	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	–	–	–	500	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Computers - software & programming	–	–	–	–	–	–	–	–	–
Other (list sub-class)	–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	61,858	1,565	17,406	33,579	29,518	29,518	62,239	44,237	44,036
Specialised vehicles	–	–	–	1,000	–	–	6,800	1,300	1,500
Refuse	–	–	–	1,000	–	–	6,800	1,300	1,500
Fire	–	–	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex	25.4%	1.1%	15.9%	22.2%	19.2%	19.2%	24.4%	20.3%	20.1%
Renewal of Existing Assets as % of deprecn"	77.7%	1.7%	16.3%	32.9%	27.3%	27.3%	62.1%	46.1%	49.2%

Table 39 – SA34c: Repairs and maintenance expenditure by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	39,010	39,145	36,438	43,890	44,107	44,107	46,484	48,808	51,256
Infrastructure - Road transport	18,864	19,301	16,945	19,301	19,081	19,081	20,098	21,103	22,158
Roads, Pavements & Bridges	18,864	14,134	11,004	13,463	13,263	13,263	13,989	14,689	15,423
Storm water	–	5,167	5,940	5,838	5,818	5,818	6,109	6,414	6,735
Infrastructure - Electricity	7,182	6,688	4,977	8,070	6,224	6,224	6,566	6,895	7,247
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	6,258	5,440	3,546	6,579	4,967	4,967	5,247	5,509	5,792
Street Lighting	923	1,248	1,431	1,491	1,257	1,257	1,320	1,386	1,455
Infrastructure - Water	6,307	3,506	3,667	6,849	5,641	5,641	5,923	6,219	6,530
Dams & Reservoirs	–	–	–	–	–	–	–	–	–
Water purification	216	187	243	360	460	460	483	507	532
Reticulation	6,091	3,319	3,424	6,489	5,182	5,182	5,441	5,713	5,998
Infrastructure - Sanitation	6,657	9,648	10,842	9,660	13,151	13,151	13,885	14,579	15,308
Reticulation	6,105	8,972	10,227	9,000	12,491	12,491	13,192	13,852	14,544
Sewerage purification	552	677	615	660	660	660	693	728	764
Infrastructure - Other	–	1	7	11	11	11	11	12	12
Waste Management	–	1	7	11	11	11	11	12	12
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Community	1,965	3,449	2,605	3,217	3,741	3,741	3,929	4,121	4,322
Parks & gardens	458	328	189	375	325	325	341	358	376
Sportsfields & stadia	335	540	621	805	797	797	837	879	923
Swimming pools	211	218	291	280	280	280	294	309	324
Community halls	–	–	3	3	3	3	3	3	4
Libraries	–	–	–	–	–	–	–	–	–
Recreational facilities	99	18	109	51	51	51	53	56	59
Fire, safety & emergency	–	–	0	1	1	1	1	1	1
Security and policing	189	189	170	255	252	252	265	278	292
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	–	37	324	343	43	43	46	48	50
Social rental housing	495	1,609	109	420	465	465	489	509	530
Other	177	510	789	684	1,524	1,524	1,600	1,680	1,764
Other assets	10,073	11,379	12,225	15,504	16,683	16,683	17,430	18,304	19,222
General vehicles	3,716	2,330	3,046	3,091	4,015	4,015	4,099	4,304	4,518
Specialised vehicles	–	1,153	1,834	1,586	1,736	1,736	1,822	1,913	2,009
Plant & equipment	5,749	7,229	5,748	7,631	7,664	7,664	8,086	8,493	8,919
Computers - hardware/equipment	55	111	67	125	125	125	131	138	145
Furniture and other office equipment	274	258	1,256	2,681	2,753	2,753	2,881	3,027	3,179
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	–	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	279	298	275	390	390	390	410	430	451
Intangibles	1,399	1,391	1,546	2,007	2,114	2,114	2,251	2,364	2,482
Computers - software & programming	1,399	1,391	1,546	2,007	2,114	2,114	2,251	2,364	2,482
Other (list sub-class)	–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	52,446	55,364	52,814	64,618	66,645	66,645	70,093	73,597	77,282
Specialised vehicles	–	1,153	1,834	1,586	1,736	1,736	1,822	1,913	2,009
Refuse	–	854	1,448	1,260	1,260	1,260	1,323	1,389	1,459
Fire	–	299	386	326	476	476	499	524	550
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
R&M as a % of PPE	2.8%	3.0%	2.7%	3.4%	3.4%	3.4%	3.3%	3.3%	3.2%
R&M as % Operating Expenditure	7.3%	6.5%	5.6%	6.6%	6.5%	6.5%	6.1%	6.7%	6.8%

Table 40 – SA34d: Depreciation by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Depreciation by Asset Class/Sub-class									
Infrastructure	66,843	82,442	93,284	89,971	95,394	95,394	89,681	86,845	81,948
Infrastructure - Road transport	33,460	38,484	42,005	40,113	41,854	41,854	40,333	39,138	35,858
<i>Roads, Pavements & Bridges</i>	33,460	38,484	42,005	40,113	41,854	41,854	40,333	39,138	35,858
<i>Storm water</i>	–	–	–	–	–	–	–	–	–
Infrastructure - Electricity	9,953	12,687	13,342	13,314	14,629	14,629	13,503	13,097	12,363
<i>Generation</i>	–	–	–	–	–	–	–	–	–
<i>Transmission & Reticulation</i>	9,953	12,687	13,342	13,314	14,629	14,629	13,503	13,097	12,363
<i>Street Lighting</i>	–	–	–	–	–	–	–	–	–
Infrastructure - Water	12,737	17,616	22,532	22,570	23,403	23,403	22,204	21,709	21,429
<i>Dams & Reservoirs</i>	–	–	–	–	–	–	–	–	–
<i>Water purification</i>	4,758	8,755	12,566	11,897	12,807	12,807	12,416	12,175	11,972
<i>Reticulation</i>	7,978	8,861	9,966	10,674	10,596	10,596	9,787	9,534	9,457
Infrastructure - Sanitation	9,544	12,070	13,486	12,438	13,741	13,741	12,280	12,030	11,645
<i>Reticulation</i>	7,809	10,388	11,253	10,752	11,480	11,480	11,038	10,848	10,524
<i>Sewerage purification</i>	1,735	1,681	2,234	1,686	2,261	2,261	1,242	1,182	1,121
Infrastructure - Other	1,150	1,586	1,919	1,536	1,767	1,767	1,361	871	652
<i>Waste Management</i>	1,150	1,586	1,919	1,536	1,767	1,767	1,361	871	652
<i>Transportation</i>	–	–	–	–	–	–	–	–	–
<i>Gas</i>	–	–	–	–	–	–	–	–	–
<i>Other</i>	–	–	–	–	–	–	–	–	–
Community	6,803	7,708	8,367	7,842	8,160	8,160	6,846	5,911	4,898
Parks & gardens	207	239	246	234	236	236	195	182	172
Sportsfields & stadia	1,673	2,414	2,566	2,522	2,601	2,601	2,534	2,347	2,342
Swimming pools	–	–	–	–	–	–	–	–	–
Community halls	389	359	389	352	492	492	411	395	274
Libraries	215	208	226	437	215	215	162	122	74
Recreational facilities	55	55	56	55	56	56	56	54	54
Fire, safety & emergency	565	704	723	692	696	696	595	563	339
Security and policing	1,303	1,344	1,380	985	1,146	1,146	694	387	142
Buses	–	–	–	–	–	–	–	–	–
Clinics	–	–	–	–	–	–	–	–	–
Museums & Art Galleries	–	–	–	–	–	–	–	–	–
Cemeteries	101	117	117	105	105	105	12	10	6
Social rental housing	2,043	1,922	2,259	2,170	2,244	2,244	1,907	1,596	1,310
Other	252	346	405	290	370	370	281	256	185
Investment properties	2,568	2,472	2,768	2,606	2,729	2,729	2,381	2,156	2,057
Housing development	9	5	5	5	5	5	5	5	5
Other	2,559	2,467	2,763	2,601	2,724	2,724	2,376	2,151	2,052
Other assets	2,987	1,513	1,684	1,569	1,651	1,651	1,317	976	528
General vehicles	1,975	138	161	138	138	138	134	95	32
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	483	581	583	581	581	581	455	445	334
Computers - hardware/equipment	114	268	176	176	176	176	160	159	29
Furniture and other office equipment	414	508	745	671	739	739	551	270	128
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	–	–	–	–	–	–	–	–
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	1	18	18	4	18	18	17	6	4
Intangibles	362	442	569	–	–	–	–	–	–
Computers - software & programming	362	442	569	–	–	–	–	–	–
Other (<i>list sub-class</i>)	–	–	–	–	–	–	–	–	–
Total Depreciation	79,563	94,577	106,672	101,989	107,934	107,934	100,225	95,888	89,430

2.7.8 Detailed capital budget per municipal vote

Table 41 – SA36: Detailed capital budget per municipal vote

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16					Proposed Funding 2013/14			
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
<u>OFFICE OF THE MUNICIPAL MANAGER</u>								
MUNICIPAL COURT			315,000					
EQUIPMENT FOR COUNCILLORS	200,000		200,000					
WARD PROJECTS	10,000	2,550,000			2,550,000			
FURNITURE & FITTINGS	37,000	50,000	50,000		50,000			
Sub-total	247,000	2,600,000	565,000	0	2,600,000	0	0	0
TOTAL: OFFICE OF THE MUNICIPAL MANAGER	247,000	2,600,000	565,000	0	2,600,000	0	0	0
<u>CORPORATE SERVICES</u>								
<u>GENERAL</u>								
VACUUM CLEANER		15,000			15,000			
FURNITURE AND FITTINGS	30,000	50,000	20,000		50,000			
WARD PROJECTS - SOCIAL	60,000							
BULK FILERS FOR PLANNING - STRATEGIES	200,000							
MOBILE SHELVEING CENTRAL REGISTRY		200,000			200,000			
Sub-total	290,000	265,000	20,000	0	265,000	0	0	0
<u>BUILDINGS</u>								
<u>CIVIC CENTRE</u>								
UPGRADE CCTV: MAIN BUILDING		500,000			500,000			
MAINTENANCE CIVIC CENTRE		750,000	500,000	500,000	750,000			
<u>IT & TELECOMMUNICATION</u>								
IT DATA SERVER		150,000			150,000			
REPLACE LOST & STOLEN HARDWARE - INSURANCE		50,000			50,000			
SCANNER			60,000					
HARDWARE			150,000					
SOFTWARE DEVELOPMENT			300,000					
CLOCKING SYSTEM	170,000		50,000					
SERVER - COLLABORATOR	250,000							
IT NETWORK - ADDITIONAL SPACE	75,000							
	495,000	1,450,000	1,060,000	500,000	1,450,000	0	0	0
<u>BLANCO COMMUNITY HALL</u>								
DATA PROJECTORS AND WHITE SCREEN			10,000					
PAVING PARKING-BLANCO			70,000					
	0	0	80,000	0	0	0	0	0
<u>THEMBALETHU COMMUNITY HALL</u>								
CURTAINS & BLINDS - THEMBALETHU HALL (ZONE 9)		130,000			130,000			
FRIDGE - THEMBALETHU HALL (ZONE 9)		10,000			10,000			
STOVE - THEMBALETHU HALL (ZONE 9)		10,000	20,000		10,000			
GAS CAGE - THEMBALETHU HALL (ZONE 9)		5,000			5,000			
TABLES & CHAIRS- THEMBALETHU HALL (ZONE 9)		120,000	80,000		120,000			
TABLES & CHAIRS- OLD THEMBALETHU HALL		40,000	40,000		40,000			
FRIDGE			10,000					
	0	315,000	150,000	0	315,000	0	0	0
<u>CONVILLE COMMUNITY HALL</u>								
GAS CAGE - CONVILLE HALL		5,000			5,000			
	0	5,000	0	0	5,000	0	0	0
<u>PACALTSDORP COMMUNITY HALL</u>								
KITCHEN UPGRADE & REPLACEMENT OF CEILING & FLOOR								
PACALTSDORP HALL	120,000							
BURGULAR BARS AND SAFETY GATES			40,000					
	120,000	0	40,000	0	0	0	0	0
		0	0	0	0	0	0	0

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16					Proposed Funding 2013/14			
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
PARKDENE COMMUNITY HALL GAS CAGE - PARKDENE HALL OTHER SCAFOLDING AND EXTENTION LADDERS Sub-total		5,000			5,000			
	0	5,000	0	0	5,000	0	0	0
	5,000	0	0	0	0	0	0	0
	620,000	1,775,000	1,330,000	500,000	1,775,000	0	0	0
TOTAL: CORPORATE SERVICES	910,000	2,040,000	1,350,000	500,000	2,040,000	0	0	0
HUMAN SETTLEMENTS, LAND AFFAIRS & PLANNING								
HOUSING - ADMIN 4X4 VEHICLES - LAND MANAGEMENT ELECTRIFICATION - LAVALIA TOUWSRANTEN - TEMPORARY RELOCATION AREA REHABILITATION OF VANDALISED ERVEN - LAVALIA Voorsiening van dienste (Thembaletu Creche) WARD PROJECTS FURNITURE AND FITTINGS CRECHE : PHASE 1 COMPUTER HARDWARE PURCHASE OF LAND FOR HOUSING (FIVE YEAR PLAN) COMMUNITY RESIDENTIAL UNITS OLD AGE HOME (OTHER) OLD AGE HOME: THE,BALETHU (WARD 13) OLD HERITAGE BUILDING: PACALTSDORP UPGRADING OF INFORMAL HOUSING AREAS UPGRADING OF INFORMAL HOUSING AREAS (COUNCIL FUNDING) MASIMBAMBANE CREHCE: THEMBALETHU - PALLISADE FENCE KLEINKRANTZ CRECHE, ERF 1505 MASAKHANE CRECHE: THEMBALETHU - PALLISADE FENCE MASAKHANE CRECHE: THEMBALETHU - PAVING Sub-total	 158,000 275,000 40,000 260,000 180,000 30,000 50,000 280,000 993,000	 350,000 93,000 1,000,000 250,000 6,000,000 2,500,000 2,500,000 250,000 6,000,000 220,000 280,000 8,243,000	 60,000 90,000 2,000,000 300,000 16,200,000	 				

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16					Proposed Funding 2013/14			
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
TRAFFIC SERVICES								
MOBILITY STRATEGY - CCTV MB STR	2,216,000							
SECURITY COUNTER	150,000							
VEHICLES	1,800,000							
SCANNER	80,000							
SAFETY EQUIPMENT	80,000							
RADIO'S	150,000							
INSTALLATION OF CAMERA SYSTEM		35,000			35,000			
INSTALLATION OF CCTV CAMERAS - PHASE 4,5&6		1,500,000	1,500,000				1,500,000	
MAINTENANCE TRAFFIC OFFICES		200,000			200,000			
VEHICLES		1,500,000				1,500,000		
COMPUTER EQUIPMENT		40,000			40,000			
FURNITURE		50,000			50,000			
FIRE-ARMS		150,000			150,000			
RADIO'S	150,000							
SAFETY EQUIPMENT		80,000			80,000			
PAVING		60,000			60,000			
Sub-total	4,626,000	3,615,000	1,500,000	0	615,000	1,500,000	1,500,000	0
LAW ENFORCEMENT								
WARD PROJECTS	15,000							
FIRE ARMS-LAW ENFORCEMENT	200,000							
SECURITY CAMERAS FOR COUNCIL PROPERTIES	400,000	200,000			200,000			
Sub-total	615,000	200,000	0	0	200,000	0	0	0
LIBRARIES								
UPGRADING AND EXTENTION OF ONVILLE LIBRARY			8,000,000					
OFFICE FURNITURE	35,990							
PAVING AT LIBRARIES	119,200							
REPLACEMENT CONVILLE LIBRARY ROOF	150,000							
SECURITY GATE - BLANCO LIBRARY	100,000							
Sub-total	405,190	0	8,000,000	0	0	0	0	0
CEMETERIES								
WARD PROJECTS	50,000							
UPGR DRAINAGE - YORK STREET CEMETRY			50,000					
Sub-total	50,000	0	50,000	0	0	0	0	0
PARKS AND RECREATION								
PEDESTRIAN PATH - VICTORIA BAY			110,000					
PARK : THEMBALETHU	150,000		100,000					
WARD PROJECTS	40,000							
CEMETRIES - RURAL AREA			40,000					
TRACTOR, TRAILOR & HYDROULICS			50,000					
LADDERS (X2)			20,000					
TIRFOR WINCH (X2)			8,000					
EDGE CUTTERS (X2)			15,000					
HEDGE TRIMMER			10,000					
Sub-total	190,000	0	353,000	0	0	0	0	0
CLEANSING AND ENVIRONMENTAL HEALTH								
WASTE COLLECTION - RURAL AREAS		100,000	100,000	100,000	100,000			
BULK REFUSE CONTAINERS	200,000	100,000	250,000	200,000	100,000			
REFUSE TRUCK FOR CONTAINERS	1,300,000	4,300,000				4,300,000		
REPLACE REFUSE TRUCKS		1,250,000			1,250,000			
WARD PROJECTS	155,000							
UPGRADING PUBLIC TOILETS			100,000	300,000				
UPGRADING TOILETS - BEACH AREAS			400,000					
BUILDING OF COMPOST PLANT			100,000					
TRANSPORT CONTAINERS	200,000		200,000					
NEW PUBLIC TOILETS - CBD			300,000					
EXTENSION OF TRANSFER STATION			1,000,000					
OFFICE EQUIPMENT		20,000			20,000			
FACTORIES GAS METER		250,000			250,000			
CO2 METER			230,000					
REPLACE NOISE METER			100,000					
UPGRADING PUBLIC TOILETS - VAN RIEBEECK GARDENS			200,000					
NEW LANDFILL SITE UNIONDALE			1,000,000	8,000,000				
REPLACE REFUSE TRUCK		1,250,000	1,300,000	1,500,000		1,250,000		
BULL DOZER - UNIONDALE			2,000,000					
Sub-total	1,855,000	7,270,000	7,280,000	10,100,000	1,720,000	5,550,000	0	0

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16						Proposed Funding 2013/14		
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
SPORT MAINTENANCE & UPGRADING								
BASEBALL FACILITY-PACALTSDORP			100,000					
TURF CUTTER			10,000					
SNAPPER		20,000			20,000			
PAVILION COMPLETION-ROSEMORE	3,070,175							
WARD PROJECTS	125,400							
FLOODLIGHTS - UNIONDALE RUGBY FIELD - MIG			100,000					
UPGRADING OUTENIQUA BOWLING CLUB			20,000					
REGIONAL SPORT COMPLEX ERF 325			500,000					
THEMBALETHU SPORT FACILITIES	1,800,000		50,000					
PACALTSDORP SPORT FACILITIES	1,200,000		50,000					
UPGRADING OF CRICKET CLUBHOUSE -BLANCO			10,000					
FENCING NEW DAWN PARK SPORTFIELD			30,000					
UPGRADING PAVILION - PACALTSDORP			50,000					
UPGRADING OF FACILITIES - CONVILLE SWIMMING POOL			10,000					
BUILDING/SPORT INFRASTRUCTURE-THEMBALETHU			20,000					
BUILDING/SPORT INFRASTRUCTURE- MIG		3,000,000	3,000,000	3,000,000			3,000,000	
CREATION OF INFRASTRUCTURE-MARAISKAMP			100,000					
LAWAAIKAMP UPGRADE - LOTTO	1,000,000							
ABLUSION FACILITIES - LAWAAIKAMP SPORTGROUND			10,000					
UPGRADING LAWAAIKAMP SPORT STADIUM			250,000					
CREATION OF NEW SPORT FACILITY - ROSEDALE		1,700,000					1,700,000	
UPGRADE THEMBALETHU CLUBHOUSE HALL			800,000					
GEELHOUTBOOM RUGBY FIELD		250,000			250,000			
TOUWSRANTEN SPORT FACILITY		500,000					500,000	
CREATION OF NEW SPORT FACILITY - UNIONDALE		1,300,000					1,300,000	
Sub-total	7,195,575	6,770,000	5,110,000	3,000,000	270,000	0	6,500,000	0
TOTAL: COMMUNITY SERVICES	15,275,765	19,970,000	22,593,000	13,100,000	3,420,000	8,550,000	8,000,000	0
CIVIL ENGINEERING SERVICES								
CIVIL ADMIN								
FURNITURE AND FITTINGS			50,000	50,000				
OFFICE EQUIPMENT	30,000		200,000	200,000				
RADIO MAST AND BASE STATION	100,000							
INFRASTRUCTURE SKILLS DEVELOPMENT EQUIPMENT	290,350	175,500	193,000				175,500	
Sub-total	420,350	175,500	443,000	250,000	0	0	175,500	0
STREETS AND STORMWATER								
BUILDING OF CONCRETE CANALS & DRAINS - EPWP	877,193	1,182,000					1,182,000	
VEHICLES	1,500,000	1,500,000				1,500,000		
WARD PROJECTS - STREETS	923,000							
WARD PROJECTS - STREETLIGHTNING	35,000							
LIGHTING IN INFORMAL AREAS		250,000	500,000	500,000	250,000			
HIGH MAST LIGHTING	450,000	750,000	500,000	500,000	750,000			
STREETLIGHTS: UNIONDALE AND HAARLEM		300,000	500,000	500,000	300,000			
STREETLIGHTS: HAROLD AND WABOOMSKRAAL			500,000	500,000				
REBUILDING OF STREETS: GREATER GEORGE		5,000,000	6,000,000	7,000,000	5,000,000			
ROBOTS AND INTERSECTION - MITCHELL STREET		100,000			100,000			
STREET RESEALING: GREATER GEORGE	5,000,000	5,000,000	5,000,000	1,000,000	5,000,000			
THEMBALETHU UISP - ROADS & STORMWATER	13,148,000	19,002,605	11,378,371	18,278,856			19,002,605	
UPGRADING OF NETWORK -ROADS & STORMWATER	2,000,000	2,000,000	3,000,000	3,000,000	2,000,000			
UPGRADING OF ROUTES ON BUS ROUTES	1,553,500							
BUS STOPS	1,500,459							
INTER-URBAN TERMINUS PROJECT (GMS)	5,250,000							
NEIGHBOURHOOD DEV PARTNERSHIP GRANT CAPITAL PROJECTS		4,385,965		5,420,175			4,385,965	
Sub-total	32,237,152	39,470,570	27,378,371	36,699,031	13,400,000	1,500,000	24,570,570	0
PUBLIC TRANSPORT NETWORK								
VEHICLE ACQUISITION		46,610,000	50,950,000	55,689,000			46,610,000	
OVERSIGHT ENTITY ESTABLISHMENT		3,000,000					3,000,000	
FARE SYSTEM ESTABLISHMENT		9,640,000					9,640,000	
ITS ESTABLISHMENT		1,060,000					1,060,000	
ROAD UPGRADES		10,320,000					10,320,000	
STOPS SHELTERS DEPOTS		20,000,000	10,855,000				20,000,000	
Sub-total	0	90,630,000	61,805,000	55,689,000	0	0	90,630,000	0

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16					Proposed Funding 2013/14			
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
WATER - NETWORKS								
GEORGE: WESTERN WATER SUPPLY PIPELINE - PHASE 2	9,406,518							
THEMBALETHU UISP - WATER	1,734,000	2,506,124	1,500,616	2,410,674			2,506,124	
WARD PROJECTS	5,000							
HANSMOESKRAAL/PACALTSDORP MAIN LINE			1,000,000	6,000,000				
INSTALLATION OF METERS	220,000	220,000	200,000	200,000	220,000			
KRAAIBOSCH WATER LINE (PHASE 3)			1,000,000					
PROVISION OF WATER TANKS	70,000	100,000	100,000		100,000			
NETWORK REHABILITATION	2,000,000	3,000,000	3,000,000	4,000,000	3,000,000			
TELEMETRY AND LOGGERS		300,000	300,000	300,000	300,000			
THEMBALETHU BULK PIPELINE - ASAZANI - MIG		2,000,000					2,000,000	
WATER TANKER		650,000				650,000		
WATER TRAILERS		100,000				100,000		
FLATBED TRUCK	300,000							
FLATBED TRUCK - REPLACEMENT IN WILDERNESS		300,000				300,000		
MOBILE RADIO'S	22,000	25,000	25,000		25,000			
PRESSURE AND FLOW TESTING EQUIPMENT	30,000	200,000	50,000		200,000			
PACALTSDORP BULK RETICULATION			3,000,000					
Thembaletu Bulk Water	22,000,000							
WILDERNISS HEIGHTS RETICULATION			300,000					
Sub-total	35,787,518	9,401,124	10,475,616	12,910,674	3,845,000	1,050,000	4,506,124	0
WATER-PURIFICATION								
BAKKIE	200,000							
RAISING GARDEN ROUTE DAM - RBIG		9,991,500					9,991,500	
WATER TREATMENT WORKS - 3 RESERVOIRS			1,000,000	10,000,000				
EXTENSION OF WATERWORKS - MIG			1,000,000					
BLANCO RESERVOIR			500,000					
FENCING AT KLEINKRANTZ RESERVOIR		80,000			80,000			
INSTRUMENTATION		200,000			200,000			
REPLACE NEW WTW ROOF			500,000	500,000				
HAARLEM WTW OFFICE/STORE		100,000			100,000			
FURNITURE & FITTING - HAARLEM & UNIONDALE		30,000			30,000			
TELEMETRY		300,000	500,000	500,000	300,000			
Sub-total	200,000	10,701,500	3,500,000	11,000,000	710,000	0	9,991,500	0
SEWERAGE NETWORKS								
GULLEYS	200,000	200,000	200,000	250,000	200,000			
THEMBALETHU UISP - SEWERAGE	5,118,000	7,396,968	4,429,153	7,115,241			7,396,968	
GENERATORS FOR PUMP STATIONS			1,000,000	1,000,000				
KRAAIBOSCH/VICTORIA BAY SEWER			500,000					
NETWORK REHABILITATION	2,300,000	3,000,000	3,000,000	4,000,000	3,000,000			
SEWERAGE RETICULATION: HANSMOESKRAAL			500,000					
SEWERAGE RETICULATION: PACALTSDORP - PHASE 2 (THEMB/ASAZANI) - MIG	3,460,000							
TELEMETRY AT PUMP STATIONS		200,000			200,000			
UPGRADING OF ACCESS ROADS & FENCING (PUMP STATIONS)	250,000	500,000	500,000		500,000			
UPGRADING OF PUMP STATIONS	2,200,000	1,500,000	1,500,000	1,500,000	1,500,000			
4X4 BAKKIE		200,000				200,000		
JETSPRAY MACHINE		350,000			350,000			
Thembaletu Bulk Sewer	7,777,574	15,000,000	15,000,000	15,000,000			15,000,000	
UPGRADING: ELECTRICAL SWITCHGEAR (PUMP STATIONS)	1,000,000	1,500,000	1,500,000	1,500,000	1,500,000			
Sub-total	22,305,574	29,846,968	28,129,153	30,365,241	7,250,000	200,000	22,396,968	0
SEWERAGE TREATMENT WORKS								
KLEINKRANTZ WWTW EXTENTION - MIG		8,000,000	8,500,000				8,000,000	
OUTENIQUA PLANT - RBIG		850,000					850,000	
OUTENIQUA WWTW REFURBISH/EXTENTION - MIG		3,589,075	4,906,863	15,125,770			3,589,075	
REFURBISH AERATORS AT OUTENIQUA WWTW		720,000			720,000			
REFURBISH CHLORINE CONTACT TANK AT OUTENIQUA WWTW		110,000			110,000			
REPLACE 2 SLUDGE WASTING PUMPS AT OUTENIQUA WWTW		330,000			330,000			
UPGRADE NIGHTSOIL DUMPING AREA AT GWAING WWTW		220,000			220,000			
LABORATORY INSTRUMENTS	300,000	300,000	300,000		300,000			
FURNITURE & FITTINGS - HAARLEM & UNIONDALE		30,000			30,000			
OUTENIQUA/GWAING SLUDGE HANDLING	7,675,440							

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16					Proposed Funding 2013/14			
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
SEWERAGE TREATMENT WORKS (cont.)								
GWAING WWTW EXTENTION		3,000,000					3,000,000	
UNIONDALE WWTW REFURBISHMENT	12,831,011							
TELEMATRY		300,000	500,000	500,000	300,000			
Sub-total	20,806,451	17,449,075	14,206,863	15,625,770	2,010,000	0	15,439,075	0
TOTAL: CIVIL ENGINEERING SERVICES	111,757,045	197,674,737	145,938,003	162,539,716	27,215,000	2,750,000	167,709,737	0
ELECTRO-TECHNICAL SERVICES								
EXPANSION OF 66KV MAIN NETWORK								
SCHAAPKOP 132/66KV SUBSTATION - PHASE 4 (CONTROL CENTRE)		500,000	500,000	1,000,000	500,000			
ESKOM EXTENTION COSTS	6,221,450							
EXPANSION OF MAIN RE MASTER PLAN		400,000	400,000	1,000,000	400,000			
HEROLDS BAY SUBSTATION: EXPANSION OF 66KV NETWORK	2,000,000	2,000,000	1,000,000	1,000,000	2,000,000			
HEROLDS BAY SUBSTATION: CONNECTION AND SITE PREPERATION			1,000,000	1,000,000				
HEROLDS BAY SUBSTATION: SITE AND BUILDING	2,500,000							
NEW 20MVA TRANSFORMERS - GEORGE		400,000	9,500,000		400,000			
PROTEA-GLENWOOD LINE - PHASE 1		500,000			500,000			
Sub-Total	10,721,450	3,800,000	12,400,000	4,000,000	3,800,000	0	0	0
ENERGY MANAGEMENT								
LOAD CONTROL AND POWER FACTOR		800,000	750,000	1,000,000	800,000			
REPLACE BULK METERS			100,000	100,000				
Sub-Total	0	800,000	850,000	1,100,000	800,000	0	0	0
CONTROL PROTECTION AND COMMUNICATION								
COMMUNICATION SYSTEMS			100,000	100,000				
CONTROL CENTRUM : 11 KV SAFETY	200,000	500,000	100,000	100,000	500,000			
PROTECTION SYSTEM		250,000	500,000	500,000	250,000			
Sub-Total	200,000	750,000	700,000	700,000	750,000	0	0	0
UPGRADING AND EXTENSION OF 11KV NETWORK								
GEORGE INNER CITY		900,000	1,000,000	2,000,000	900,000			
GEORGE INDUSTRIAL AREA 1 (Tamsui Pacaltsdorp)		500,000	500,000	500,000	500,000			
SOUTH OF GEORGE RURAL (HEROLDS BAY, HANSMOESKRAAL)			100,000	100,000				
HEROLDS BAY (AIRPORT AREA)			250,000	750,000				
WEST OF GEORGE RURAL (BLANCO, MODDERIVIER)			100,000					
MODDERIVIER			100,000	500,000				
UNIONDALE	500,000	500,000	500,000	1,000,000	500,000			
THEMBALETHU	0	500,000	500,000	500,000	500,000			
WILDERNIS	500,000	1,000,000	500,000	1,000,000	1,000,000			
HEROLDS BAY			250,000	150,000				
Sub-Total	1,000,000	3,400,000	3,800,000	6,500,000	3,400,000	0	0	0
REPLACEMENT OF OBSOLETE 11KV SWITCHGEAR & EQUIPMENT								
OVERLOADED NETWORKS: REPLACEMENT AND STRENGTHENING		1,000,000	1,000,000	1,000,000	1,000,000			
REPLACE OBSOLETE AND OVERLOADED 11KV SWITCHGEAR	2,448,550	900,000	1,000,000		900,000			
Sub-Total	2,448,550	1,900,000	2,000,000	1,000,000	1,900,000	0	0	0
UPGRADING OF OBSOLETE LOW VOLTAGE NETWORK CABLES								
L/T LINES-GEORGE		600,000	600,000	1,000,000	600,000			
L/T LINES-PACALTSDORP		250,000	400,000	500,000	250,000			
L/T LINES-UNIONDALE		250,000	400,000	500,000	250,000			
L/T LINES-WILDERNIS		250,000	400,000	500,000	250,000			
Sub-Total	0	1,350,000	1,800,000	2,500,000	1,350,000	0	0	0

GEORGE MUNICIPALITY DRAFT CAPITAL BUDGET 2013/14 - 2015/16		Proposed Funding 2013/14						
DESCRIPTION	ADJ BUDGET FEBRUARY 2013	PROPOSED 2013/14	2014/15	2015/16	CRR	EFF	Grants	Other
ELECTRIFICATION								
LOW VOLTAGE UPGRADING AND DIVERSIONS		100,000	150,000	150,000	100,000			
RETICULATION SCHEMES			1,754,400					
RETICULATION SCHEMES - THEMBALETHU		5,263,158	4,385,965	7,456,140			5,263,158	
RETICULATION - 80 ERVEN SYFERFONTEIN	500,000							
RETICULATION SCHEMES - ERF 325 - STRATEGIES	6,421,580							
INFORMAL AREAS UNDERGROUND CONNECTION - USIP	1,500,000	1,000,000		500,000	1,000,000			
Sub-Total	8,421,580	6,363,158	6,290,365	8,106,140	1,100,000	0	5,263,158	0
EQUIPMENT								
COMPUTER HARDWARE		75,000	50,000	175,000	75,000			
COMPUTER SOFTWARE	10,000	10,000	10,000	30,000	10,000			
IMQS MODULE								
WARD PROJECTS	18,000							
FURNITURE AND FITTINGS	30,000	30,000	10,000	50,000	30,000			
ENTRANCE CONTROL AND SECURITY SYSTEMS		30,000	5,000	40,000	30,000			
MOBILE RADIOS		50,000	10,000		50,000			
INFRASTRUCTURE SKILLS DEVELOPMENT EQUIPMENT	786,000	175,500	193,000				175,500	
SAFETY EQUIPMENT	50,000	100,000	50,000	330,000	100,000			
TOOLS AND EQUIPMENT		300,000			300,000			
TESTING EQUIPMENT	100,000	200,000	100,000	620,000	200,000			
Sub-Total	994,000	970,500	428,000	1,245,000	795,000	0	175,500	0
UPGRADING AND EXTENSION OF BUILDINGS								
EXTENSION AND UPGRADING TO BUILDINGS		150,000	10,000	10,000	150,000			
SAFETY: OHS - ???		60,000	60,000	60,000	60,000			
Sub-Total	0	210,000	70,000	70,000	210,000	0	0	0
FLEET MANAGEMENT								
PETROL MANAGEMENT SYSTEM		1,000,000	500,000		1,000,000			
TRACKING SYSTEM	400,000	500,000	500,000	100,000	500,000			
EXTENSION AND UPGRADING TO BUILDINGS (toilets)		150,000			150,000			
REPLACEMENT OF CRANE TRUCK		580,000		600,000		580,000		
4 X 1 TON BAKKIES		640,000	500,000	500,000		640,000		
ADDITIONAL CHERRY PICKER		800,000	400,000			800,000		
ROOF FOR FUEL PUMPS		300,000			300,000			
SECURITY CAMERAS - ???		90,000	10,000	10,000	90,000			
BUCKET FOR TRUCK			1,000,000			0	0	0
Sub-total	400,000	4,060,000	2,910,000	1,210,000	2,040,000	2,020,000	0	0
TOTAL: ELECTRO-TECHNICAL SERVICES	24,185,580	23,603,658	31,248,365	26,431,140	16,145,000	2,020,000	5,438,658	0
FINANCIAL SERVICES								
FURNITURE AND FITTINGS		50,000	50,000	50,000	50,000			
SERVER - FINANCE			200,000	200,000				
2 x HYDRAULIC JACKS FOR CABLE		30,000			30,000			
FENCE AT STORES	30,000							
COMPUTER EQUIPMENT	125,000		30,000	30,000				
3 x VEHICLES - CREDIT CONTROL		450,000				450,000		
4X4 BAKKIE - WATER & ELECTRICITY		250,000				250,000		
Sub-total	155,000	780,000	280,000	280,000	80,000	700,000	0	0
TOTAL: FINANCIAL SERVICES	155,000	780,000	280,000	280,000	80,000	700,000	0	0
TOTAL BUDGET	153,523,390	254,911,395	218,174,368	219,350,857	53,393,000	14,370,000	187,148,395	0

2.7.9 Supporting detail to A4 (Budgeted Financial Performance) and A6 (Budgeted Financial Position)

Table 42 – SA1: Supporting detail to Statement of Financial Performance

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
REVENUE ITEMS:										
Property rates										
Total Property Rates	132,374	149,778	163,896	181,679	181,679	181,679	181,679	198,716	207,492	219,975
less Revenue Foregone	27,883	30,897	36,107	37,832	37,573	37,573	37,573	42,963	45,573	48,342
Net Property Rates	104,491	118,881	127,788	143,847	144,107	144,107	144,107	155,753	161,918	171,634
Service charges - electricity revenue										
Total Service charges - electricity revenue	267,361	310,240	373,968	409,170	417,170	417,170	417,170	444,200	468,732	496,856
less Revenue Foregone			182	298				9,680	10,454	11,291
Net Service charges - electricity revenue	267,361	310,240	373,785	408,871	417,170	417,170	417,170	434,520	458,277	485,565
Service charges - water revenue										
Total Service charges - water revenue	56,002	67,306	82,956	91,173	93,323	93,323	93,323	100,623	104,858	111,150
less Revenue Foregone			16,563	17,432	12,000	12,000	12,000	12,720	13,483	14,292
Net Service charges - water revenue	56,002	67,306	66,393	73,742	81,323	81,323	81,323	87,903	91,375	96,857
Service charges - sanitation revenue										
Total Service charges - sanitation revenue	40,852	46,462	66,289	71,297	72,567	72,567	72,567	78,021	81,537	86,429
less Revenue Foregone			14,113	13,068	20,100	20,100	20,100	21,306	22,584	23,939
Net Service charges - sanitation revenue	40,852	46,462	52,176	58,230	52,467	52,467	52,467	56,715	58,952	62,489
Service charges - refuse revenue										
Total refuse removal revenue	26,305	30,484	49,603	53,807	53,807	53,807	53,807	57,736	60,458	64,085
Total landfill revenue	–	–	–	–	–	–	–	–	–	–
less Revenue Foregone	–	–	14,501	14,875	17,500	17,500	17,500	18,550	19,663	20,843
Net Service charges - refuse revenue	26,305	30,484	35,101	38,932	36,307	36,307	36,307	39,186	40,795	43,243
Other Revenue by source										
Building Plan fees and related income	4,519	4,028	2,224	1,908	1,908	1,908	1,908	2,022	2,144	2,272
Sundry income	9,425	9,917	14,636	12,523	4,684	4,684	4,684	4,886	5,165	5,460
Total 'Other' Revenue	13,943	13,945	16,859	14,431	6,592	6,592	6,592	6,909	7,308	7,732
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	119,922	128,881	138,333	164,895	162,689	162,689	162,689	171,638	182,877	195,603
Pension and UIF Contributions	19,457	21,637	23,710	27,629	27,629	27,629	27,629	28,732	30,741	32,893
Medical Aid Contributions	7,274	8,655	9,840	14,877	14,877	14,877	14,877	15,508	16,569	17,729
Overtime	11,425	13,775	16,666	12,499	15,663	15,663	15,663	16,757	17,930	19,185
Performance Bonus	943	120	587	1,155	1,155	1,155	1,155	–	–	–
Motor Vehicle Allowance	6,992	7,799	8,622	9,480	9,629	9,629	9,629	10,076	10,782	11,537
Cellphone Allowance	518	510	631	443	443	443	443	431	461	494
Housing Allowances	1,426	1,271	1,328	1,246	1,246	1,246	1,246	1,192	1,276	1,365
Other benefits and allowances	17,096	17,940	19,246	16,821	16,925	16,925	16,925	18,195	19,409	20,706
Payments in lieu of leave	13,655	10,048	10,739	11,542	11,542	11,542	11,542	12,276	13,136	14,056
Long service awards	810	919	796	–	–	–	–	–	–	–
Post-retirement benefit obligations	20,222	17,731	18,919	–	–	–	–	–	–	–
sub-total	219,740	229,287	249,415	260,586	261,797	261,797	261,797	274,806	293,180	313,569
Less: Employees costs capitalised to PPE	–	513	536	–	–	–	–	–	–	–
Total Employee related costs	219,740	228,773	248,879	260,586	261,797	261,797	261,797	274,806	293,180	313,569

George Municipality – 2013/14 Draft Annual Budget and MTREF

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
<u>Contributions recognised - capital</u>										
Capital contributions	5,778	5,627	5,227	5,947	5,947	5,947	5,947	6,303	6,682	7,083
Second Dwellings	197	179	68	299	299	299	299	317	336	356
Contribution to Parking facilities	708	392	381	—	—	—	—	—	—	—
Endowment Fees	25	—	—	—	—	—	—	—	—	—
Sale of Erven	10,763	5,356	6,474	—	2,500	2,500	2,500	—	—	—
Total Contributions recognised - capital	17,472	11,555	12,149	6,246	8,746	8,746	8,746	6,620	7,018	7,439
<u>Depreciation & asset impairment</u>										
Depreciation of Property, Plant & Equipment	79,201	94,135	106,104	101,989	107,934	107,934	107,934	100,225	95,888	89,430
Lease amortisation	362	442	569	—	—	—	—	—	—	—
Capital asset impairment	—	—	—	—	—	—	—	—	—	—
Depreciation resulting from revaluation of PPE	—	—	—	—	—	—	—	—	—	—
Total Depreciation & asset impairment	79,563	94,577	106,672	101,989	107,934	107,934	107,934	100,225	95,888	89,430
<u>Bulk purchases</u>										
Electricity Bulk Purchases	151,841	192,921	244,297	279,863	281,839	281,839	281,839	301,850	325,998	352,078
Water Bulk Purchases	—	—	—	—	—	—	—	—	—	—
Total bulk purchases	151,841	192,921	244,297	279,863	281,839	281,839	281,839	301,850	325,998	352,078
<u>Transfers and grants</u>										
Cash transfers and grants	5,508	5,124	1,188	1,424	1,473	1,473	1,473	1,473	1,486	1,498
Non-cash transfers and grants	—	—	—	587	—	—	—	—	—	—
Total transfers and grants	5,508	5,124	1,188	2,011	1,473	1,473	1,473	1,473	1,486	1,498
<u>Contracted services</u>										
Housing Projects	5,929	63,744	66,516	25,420	43,629	43,629	43,629	40,793	299	299
Proclaimed Roads	286	406	218	29,794	30,295	30,295	30,295	30,681	5,000	—
Integrated Transport Services	—	—	—	10,000	2,000	2,000	2,000	94,389	55,449	49,311
Traffic Contractors	666	4,257	4,952	4,723	4,690	4,690	4,690	4,697	4,836	5,124
Electricity Contractors	8,506	10,176	11,979	10,720	14,570	14,570	14,570	15,721	16,964	18,535
Refuse Contractors	1,710	2,145	2,918	3,054	2,904	2,904	2,904	3,866	2,650	2,750
Parks and Garden Contractors	2,514	3,008	2,741	2,780	2,940	2,940	2,940	2,940	3,020	3,110
Dumping Site Contractors	3,573	3,473	4,324	4,179	4,544	4,544	4,544	4,544	4,677	4,813
Town Planning Contractors	832	619	841	1,105	905	905	905	1,105	1,105	1,105
Internal Auditors	2,209	2,546	2,673	2,590	2,830	2,830	2,830	2,830	2,830	2,830
Financial Services Contractors	1,757	1,910	66	2,025	1,525	1,525	1,525	1,525	1,615	1,815
Street Cleansing Contractors	602	590	425	440	870	870	870	870	870	870
Cemeteries Contractors	501	462	749	740	740	740	740	740	760	780
Other Contracted Services	4,953	1,291	1,847	2,804	5,347	5,347	5,347	4,285	2,721	2,723
sub-total	34,039	94,627	100,248	100,374	117,789	117,789	117,789	208,986	102,796	94,065
Allocations to organs of state:										
Electricity	—	—	—	—	—	—	—	—	—	—
Water	—	—	—	—	—	—	—	—	—	—
Sanitation	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—
Total contracted services	34,039	94,627	100,248	100,374	117,789	117,789	117,789	208,986	102,796	94,065
<u>Other Expenditure By Type</u>										
Collection costs	5,602	5,960	4,728	500	4,070	4,070	4,070	4,070	4,070	4,070
Contributions to 'other' provisions	—	—	—	—	—	—	—	—	—	—
Consultant fees	1,606	1,581	1,565	2,250	1,950	1,950	1,950	1,946	2,150	2,150
Audit fees	2,582	3,333	3,907	3,960	3,540	3,540	3,540	3,540	3,540	3,540
General expenses										
Advertising cost	903	953	960	989	1,327	1,327	1,327	1,273	1,333	1,393
Bank charges	1,001	906	1,131	1,000	1,327	1,327	1,327	1,327	1,327	1,327
Chemicals	7,163	7,249	9,335	10,430	10,420	10,420	10,420	10,620	11,140	11,674
Flood damage	500	1,476	515	—	4	4	4	396	—	—
Insurance	1,354	1,867	1,939	2,697	2,712	2,712	2,712	2,712	2,712	2,712
Lease rentals on operating leases	1,953	1,523	1,406	1,816	1,822	1,822	1,822	1,808	1,818	1,828
Motor vehicle expenses	8,495	8,900	11,415	12,480	13,848	13,848	13,848	14,023	14,602	15,222
Printing and Stationery	1,976	1,892	1,688	1,951	1,907	1,907	1,907	1,894	1,894	1,894
Telephone and fax	1,767	1,512	1,499	1,568	1,616	1,616	1,616	1,613	1,619	1,625
Training	1,007	1,138	177	800	694	694	694	750	850	900
Maintenance - Streets and Stormwater Network	19,238	19,495	18,174	20,592	20,138	20,138	20,138	21,208	22,268	23,382
Maintenance - Electricity Network	6,252	5,435	3,578	7,057	4,957	4,957	4,957	5,236	5,498	5,773
Maintenance - Water Network	6,091	3,319	3,463	6,989	5,682	5,682	5,682	5,966	6,264	6,577
Maintenance - Sewerage Network	6,105	8,972	10,424	9,500	13,291	13,291	13,291	14,032	14,734	15,470
Maintenance of machinery	1,863	3,266	2,623	3,166	3,418	3,418	3,418	3,589	3,769	3,957
Legal Fees	2,641	686	1,406	1,618	2,860	2,860	2,860	2,860	2,860	2,860
Security Services	3,162	3,288	4,209	4,293	4,139	4,139	4,139	4,122	4,153	4,202
Total unspecified general expenditure	69,334	54,622	51,815	53,824	57,285	57,285	57,285	69,117	74,573	77,669
Total 'Other' Expenditure	150,596	137,373	135,958	147,480	157,007	157,007	157,007	172,100	181,173	188,224

Table 43 – SA3: Supporting detail to Statement of Financial Position

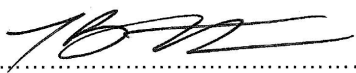
Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
ASSETS									
<u>Call investment deposits</u>									
Call deposits < 90 days	–	–	–	–	–	–	–	–	–
Other current investments > 90 days	–	–	–	–	–	–	–	–	–
Total Call investment deposits	–	–	–	–	–	–	–	–	–
<u>Consumer debtors</u>									
Consumer debtors	97,665	107,134	114,875	92,184	92,184	92,184	118,321	121,279	122,492
Less: Provision for debt impairment	(26,935)	(28,884)	(27,576)	(26,800)	(26,800)	(26,800)	(24,906)	(29,874)	(38,297)
Total Consumer debtors	70,730	78,250	87,298	65,384	65,384	65,384	93,414	91,405	84,195
<u>Debt impairment provision</u>									
Balance at the beginning of the year	23,717	26,935	28,884	20,000	20,000	20,000	26,800	24,906	29,874
Contributions to the provision	10,082	29,093	21,022	21,294	21,294	21,294	22,000	29,100	31,200
Bad debts written off	(6,863)	(27,144)	(22,330)	(14,494)	(14,494)	(14,494)	(23,894)	(24,133)	(22,777)
Balance at end of year	26,935	28,884	27,576	26,800	26,800	26,800	24,906	29,874	38,297
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	2,216,123	2,301,230	2,500,851	2,556,605	2,624,832	2,624,832	2,870,413	3,090,948	3,308,868
Leases recognised as PPE	695	–	–	10,650	5,350	5,350	14,370	5,200	2,600
Less: Accumulated depreciation	340,213	434,129	549,728	638,908	644,853	644,853	745,079	840,966	930,397
Total Property, plant and equipment (PPE)	1,876,605	1,867,101	1,951,123	1,928,346	1,985,328	1,985,328	2,139,705	2,255,181	2,381,072
LIABILITIES									
<u>Current liabilities - Borrowing</u>									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	26,064	30,533	33,843	35,932	35,432	35,432	36,366	40,145	38,848
Total Current liabilities - Borrowing	26,064	30,533	33,843	35,932	35,432	35,432	36,366	40,145	38,848
<u>Trade and other payables</u>									
Trade and other creditors	83,811	93,220	92,363	63,247	63,247	63,247	87,744	81,857	85,282
Unspent conditional transfers	13,412	30,178	41,994	22,000	22,000	22,000	13,957	27,828	27,635
VAT	6,062	–	–	–	–	–	–	–	–
Total Trade and other payables	103,284	123,399	134,358	85,247	85,247	85,247	101,701	109,685	112,917
<u>Non current liabilities - Borrowing</u>									
Borrowing	487,384	520,870	487,034	453,031	453,031	453,031	416,665	376,520	337,672
Finance leases (including PPP asset element)	–	–	–	9,650	4,850	4,850	19,220	24,420	27,020
Total Non current liabilities - Borrowing	487,384	520,870	487,034	462,681	457,881	457,881	435,885	400,940	364,692
<u>Provisions - non-current</u>									
Retirement benefits	79,551	92,521	109,146	94,436	94,436	94,436	100,102	105,107	107,209
List other major provision items									
Refuse landfill site rehabilitation	–	3,396	3,153	–	–	–	3,540	3,750	3,973
Other	725	10,469	10,469	–	–	–	12,438	14,795	17,619
Total Provisions - non-current	80,276	106,386	122,769	94,436	94,436	94,436	116,079	123,653	128,802
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	1,694,743	1,645,968	1,650,898	1,890,895	1,890,895	1,738,950	1,919,730	1,959,312	2,051,911
GRAP adjustments	58,041	–	–	–	–	–	–	–	–
Restated balance	1,752,784	1,645,968	1,650,898	1,890,895	1,890,895	1,738,950	1,919,730	1,959,312	2,051,911
Surplus/(Deficit)	3,489	5,558	(6,332)	59,329	64,749	64,749	120,906	59,611	64,947
Appropriations to Reserves	–	–	–	–	–	–	–	–	–
Transfers from Reserves	(1,864)	(628)	(3,301)	–	–	(220)	215	233	251
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	(0)	(0)	97,684	(16,340)	(86,072)	116,251	(81,540)	32,756	85,910
Accumulated Surplus/(Deficit)	1,754,409	1,650,898	1,738,950	1,933,883	1,869,572	1,919,730	1,959,312	2,051,911	2,203,020
<u>Reserves</u>									
Housing Development Fund	70,083	70,711	74,011	74,246	74,246	74,231	74,016	73,783	73,531
Capital replacement	–	–	–	–	–	–	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	70,083	70,711	74,011	74,246	74,246	74,231	74,016	73,783	73,531
TOTAL COMMUNITY WEALTH/EQUITY	1,824,492	1,721,609	1,812,961	2,008,129	1,943,818	1,993,961	2,033,327	2,125,694	2,276,551

2.8 Municipal Manager's Quality Certificate

I, TREOR BOTHA....., The Municipal Manager of George Municipality hereby certify that the draft annual budget and supporting documentation for the 2013/2014 Financial Year, have been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act, and that the draft budget and supporting documentation are consistent with the Integrated Development Plan.

Print Name TREOR BOTHA.....

Municipal Manager of GEORGE (LOCALITY).....

Signature .....

Date 28 MARCH 2013.....



